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SUPPLEMENTAL DECLARATION

FOR

HILLSIDE ROW HOMES

AT

THREE SPRINGS

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SUPPLEMENTAL DECLARATION
FOR
HILLSIDE ROW HOMES
AT
THREE SPRINGS

THIS SUPPLEMENTAL DECLARATION FOR HILLSIDE ROW HOMES AT THREE SPRINGS (the "Supplemental Declaration") is executed as of the 11th day of December, 2008, by **GRVP, LLC**, a Colorado limited liability company (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property situated in the County of La Plata, State of Colorado, described on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Declarant intends to re-subdivide the Property in phased plat filings for Corner Row Home Units in conformance with Section 3.4.10 Hillside Row House Lot of the Three Springs Codes and Standards; and

WHEREAS, Declarant has recorded that certain Amended and Restated Residential Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Three Springs ("Residential Declaration") on March 28, 2007, at Reception Number 954049 in the records of the Clerk and Recorder for the County of La Plata, State of Colorado, as amended by that certain Certificate of Amendment dated as of September 16, 2008, and recorded on September 16, 2008, at Reception Number 983613 in the records of the Clerk and Recorder for the County of La Plata, State of Colorado (the "Residential Declaration"); and

WHEREAS, the real property which is or may be subject to the Residential Declaration is described on Exhibit B to this Supplemental Declaration (as supplemented by annexation from time to time) ("Residential Association Covered Property"); and

WHEREAS, Declarant is the owner of additional real property situated in the County of La Plata, State of Colorado, described on Exhibit C to this Supplemental Declaration (the "Additional Property"); and

WHEREAS, Declarant reserves the right to annex into this Supplemental Declaration additional lots within the Residential Association Property and the Additional Property in future phased plat filings as approved by the City of Durango for Hillside Row Home Units in conformance with Section 3.4.10 Hillside Row House Lot of the Three Springs Codes and Standards; and

WHEREAS, Declarant desires to submit the Property to planned community ownership under this Supplemental Declaration pursuant to the provisions of the Colorado Common Interest Ownership Act (the "Act"); and

WHEREAS, this Supplemental Declaration is adopted by Declarant pursuant to the provisions of Section 2.3 of the Residential Declaration and is subject to the provisions of the Residential Declaration; and

WHEREAS, a Row Home Map for the Hillside Row Home Units (as defined below) will be recorded from time to time after the recordation of this Supplemental Declaration, which Map will describe the location of the Row Home Units and the Lots depicted on each such Map; and

WHEREAS, Declarant desires to subject and place upon the Property certain covenants, conditions, restrictions, easements, reservations, and right-of-ways, set forth herein for the purpose of protecting the value and desirability of the Property and for the purpose of furthering a plan for the improvement, sale, and common ownership of the Property, to the end that a harmonious and attractive development of the Property may be accomplished and the health, comfort, safety, convenience, and general welfare of the Declarant, all subsequent owners of portions of the Property and their respective heirs, personal representatives, successors and assigns in the Property, or any portion thereof, is promoted and safeguarded.

NOW, THEREFORE, the Declarant hereby submits the Property, together with all improvements, appurtenances and facilities thereto and now or hereafter located thereon, to planned community ownership under the Act, as the same may be amended from time to time, and hereby imposes upon all of the Property the following terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations, and obligations, which shall be deemed to run with the Property and shall be a burden and a benefit to the Declarant, its heirs, personal representatives, successors, assigns and any person acquiring or owning an interest in the Property, their grantees, successors, heirs, executors, administrators, devisees, or assigns.

ARTICLE I

DEFINITIONS

1.1 Act. "Act" shall mean and refer to the Colorado Common Interest Ownership Act (CCIOA), codified as Article 33.3 of Title 38, Colorado Revised Statutes, as it may be amended from time to time.

1.2 Allocated Interests. "Allocated Interests" shall mean the assessment obligation of each Lot determined by a fraction, the numerator of which is one and the denominator of which is the total number of Row Homes in the Project. Allocated Interests shall be modified as additional Lots are annexed to this Supplemental Declaration from time to time based upon the foregoing formula. The allocated voting interests shall be one vote per Lot.

1.3 Assessments. "Assessments" shall mean the Annual, Special, and Default Assessments, Maintenance Charges, Reserve Contributions, and Working Capital Fee levied by the Association pursuant to the provisions of the Residential Declaration and the Row Home Assessments levied by the Association pursuant to the provisions of this Supplemental Declaration and the Residential Declaration.

1.4 As-Built Final Plat. "As-Built Final Plat" or "Row Home Map" shall mean and refer to one or more Row Home Maps and As-Built Final Plats identifying individual Lots, Row Home Units, and easements within the Property, which is designated as a Row Home Map and As-Built Final Plat of Hillside Row Homes at Three Springs and which is recorded in the records of the office of the Clerk and Recorder of the County of La Plata, State of Colorado. The Row Home Map shall also serve as the As-Built Final Plat.

1.5 Association. "Association" shall mean and refer to Three Springs Residential Association, a Colorado non-profit corporation, its successors and assigns. The Association shall act by and through its Board of Directors and officers.

1.6 Building. "Building" or "Buildings" shall mean and refer to a residential structure located on a Lot of a Project as described in a Row Home Map and within which a Row Home Unit and an attached Garage Unit are located. Portions of each Building will be owned by the Owner of each Row Home Unit located therein.

1.7 Common Utilities. "Common Utilities" shall mean the utilities serving the General Common Elements and whose expenses are shared equally amongst the Owners in accordance with their Allocated Interests.

1.8 Declarant. "Declarant" shall mean and refer to GRVP, LLC, a Colorado limited liability company, its successors and assigns, provided that such successors and assigns shall first be designated by the predecessor or assigning Declarant as a Declarant for one or more purposes by a written instrument duly recorded in the office of the Clerk and Recorder of the County of La Plata, State of Colorado.

1.9 Garage Unit. "Garage Unit" shall mean the garage constructed on each Lot subject to this Supplemental Declaration, the use of which is reserved for the Owner and occupants of such Lot.

1.10 General Common Elements. "General Common Elements" shall mean the General Common Elements within the Project as shown on the Row Home Map. The General Common Elements shall be owned by the Association and shall be available for use by all Owners of Hillside Row Home Units.

1.11 Hillside Row Home Unit. "Hillside Row Home Unit," "Row Home," or "Row Home Unit" shall mean and refer to the portion of a Building located on a single Lot, including one-half of the Party Wall, and the Lot on which such portion of the Building is located, as shown on a Row Home Map and As-Built Final Plat, together with all fixtures and improvements contained therein and the right to use the General and Limited Common Elements as shown on the Row Home Map. The Row Home Unit is designed to be occupied as a single family residence.

1.12 Limited Common Elements. "Limited Common Elements" shall mean and refer to those parts of the General Common Elements which are either limited to and reserved for the exclusive use of the Owner or Owners of a particular Row Home Unit or are limited to and reserved for the common use of the Owners of more than one, but fewer than all, of the Row Home Units. Limited Common Elements shall be appurtenant to the Row Home Unit to which the Limited Common Element is attached.

1.13 Lot. "Lot" or "Row Home Lot" shall mean and refer to a lot designated by a number on a Row Home Map and As-Built Final Plat by reference to which separate fee ownership of a Lot will be conveyed to each Owner of a Lot and Row Home Unit.

1.14 Manager. "Manager" shall mean a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Board may authorize from time to time.

1.15 Owner. "Owner" shall mean and refer to any record owner (including Declarant and including a contract seller), whether one or more persons or entities, of a fee simple title interest to any Row Home Unit; but excluding, however, any such record owner having such an interest merely as security for the performance of an obligation (unless such person has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof).

1.16 Party Wall. “Party Wall” shall mean and refer to all or a portion of the entire wall from front to rear which is used for support or fire wall protection between adjoining Row Home Units and which is built as part of the original construction of the adjoining Row Home Units and is situated or intended to be situated on the Lot line between adjoining Row Home Units. The Party Wall shall be to the joint benefit to the Owners of the two Row Home Units. The Party Wall shall also include the portion of a Roof above the Party Wall.

1.17 Project. “Project” shall mean and refer to all of the Lots that are subject to this Supplemental Declaration, including those that are annexed to this Supplemental Declaration from time to time, and includes the Building and the Row Home Units on each Lot, together with easements and all General Common Elements and Limited Common Elements as shown on a Recorded Row Home Map and Recorded As-Built Final Plat.

1.18 Property. “Property” shall mean and refer to that certain real property subject to this Supplemental Declaration as described on Exhibit A attached hereto and the Lots that are annexed to this Supplemental Declaration from property described on Exhibit A, Exhibit B, or Exhibit C to the Residential Declaration.

1.19 Residential Declaration. “Residential Declaration” shall mean and refer to the Amended and Restated Residential Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for Three Springs recorded on March 28, 2007, at Reception No. 954049 in the records of the Clerk and Recorder for the County of La Plata, State of Colorado, as amended pursuant to that Certificate of Amendment dated as of September 16, 2008, and recorded at Reception No. 983613, in the records of the Clerk and Recorder for the County of La Plata, State of Colorado, and as may be further amended from time to time.

1.20 Row Home Assessment. “Row Home Assessment” shall mean and refer to the charge levied and assessed each year against each Row Home Unit by the Association for the purposes set forth in and pursuant to Article V of this Supplemental Declaration.

1.21 Row Home Common Expenses. “Row Home Common Expenses” shall mean: (i) all expenses as expressly declared to be common expenses under Article V of this Supplemental Declaration; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing, or replacing the General Common Elements or Limited Common Elements; (iii) insurance premiums for the insurance required to be carried by the Association pursuant to Article IX of this Supplemental Declaration; (iv) capital reserves as required for the periodic replacement of General and Limited Common Elements; and (v) all expenses lawfully determined to be common expenses by the Board, which expenses shall be assessed based upon the Allocated Interests of the Row Home Units.

1.22 Supplemental Declaration. “Supplemental Declaration” shall mean and refer to this Supplemental Declaration for Hillside Row Homes at Three Springs, as it may be amended from time to time, and the Row Home Map and As-Built Final Plat, as amended and supplemented from time to time.

1.23 Row Home Map. “Row Home Map” shall mean and refer to one or more Row Home Maps identifying individual Lots, Row Home Units, Garage Units and easements within the Property, which is designated as a Row Home Map and As-Built Final Plats of Hillside Row Homes at Three Springs and which is Recorded. The Row Home Map shall also serve as the As-Built Final Plat required by the City.

1.24 Utilities. “Utilities” shall mean those underground utilities that are constructed and installed within and across Lots or General Common Elements to serve a Unit or a Building. All Utilities shall be located underground, except for necessary above ground appurtenances.

Capitalized terms used in this Supplemental Declaration that are defined in the Residential Declaration or the Master Declaration and not defined in this Supplemental Declaration shall have the same meaning herein as is set forth in the Residential Declaration or Master Declaration. Capitalized terms that are defined in this Supplemental Declaration that are defined differently in the Residential Declaration or the Master Declaration shall have the meaning set forth in this Supplemental Declaration.

ARTICLE II

DIVISION OF PROJECT INTO ROW HOME OWNERSHIP

2.1 Division Into Row Home Units. The Property as shown in Exhibit A may be divided into a maximum of forty-eight (48) separate Row Home Units. Each Row Home Unit shall consist of a fee simple interest in each Row Home Unit and Lot and improvements and fixtures located thereon together with the Owner’s interest in the Association. The Declarant may create up to a total of three hundred fifty (350) Row Home Units in phased construction in the Three Springs Property and the Additional Property as described in Exhibit A, Exhibit B, or Exhibit C to this Supplemental Declaration and may annex those additional lots to this Supplemental Declaration within the time period set forth in Section 2.4 below.

2.2 Inseparability. Each Row Home Unit, as well as all other appurtenances, rights, and burdens connected therewith, shall be inseparable and may be transferred, conveyed, leased, devised, encumbered, or otherwise disposed of only as a Row Home Unit. Every conveyance, transfer, devise, encumbrance, or other disposition of a Row Home Unit shall be deemed to be a conveyance, transfer, devise, lease, encumbrance, or other disposition, as the case may be, of the entire Row Home Unit, together with all appurtenant rights, interests, duties, and obligations, created by law or by this Supplemental Declaration.

2.3 Non-Partitionability. The General and Limited Common Elements shall not be subject to partition or subdivision among the Owners. By the acceptance of a deed or other instrument of conveyance or assignment of the Row Home Unit, each Owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the General and Limited Common Elements. Furthermore, each Owner agrees that this Section 2.3 may be pleaded as a bar to the maintenance of such an action. Any violation of this Section shall entitle the Association to collect, jointly and severally, from the parties violating the same, the actual attorneys’ fees, costs, expenses, and all damages that the Association incurs in connection therewith. Any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an interest in the General or Limited Common Elements is void.

2.4 Declarant’s Rights to Annex and Withdraw Lots. Declarant, for itself and its successors and assigns, shall have and hereby retains and is granted the right to annex to this Supplemental Declaration one or more platted Lots located within the real property described on Exhibit A, Exhibit B, or Exhibit C to the Residential Declaration without obtaining the consent of any Owner or mortgagee. A Lot may be annexed to this Supplemental Declaration in the manner described in Article XIII of the Residential Declaration. Lots may be withdrawn from this Supplemental Declaration in the manner described in Article XIII of the Residential Declaration. The rights under this Section shall terminate upon conveyance by a Declarant of all

Row Home Units that may be created to Owners other than a Declarant or twenty-five (25) years after the recording of this Supplemental Declaration, whichever occurs first.

ARTICLE III

ROW HOME MAP

3.1 **Recording.** A Row Home Map and As-Built Final Plat covering one or more Lots and amendments and supplements thereto, if any, shall be Recorded prior to conveyance of the Row Home Unit shown on such Row Home Map. A supplemental Row Home Map shall be Recorded for each Row Home Unit located on the Lots as the Buildings in the Project are completed.

3.2 **Content.** A Row Home Map shall depict and show the following information: the name of the Project and a general schematic map of the entire Project; the legal description of the land; the location of the Lots within the Property; the location and boundaries of the Row Home Units and Garage Units within the Buildings; any dedicated easements; any additional information required by the Act, and General Common Elements and Limited Common Elements. For Party Walls, the centerline of the Party Wall is designated as the boundary of a Lot and Unit on the Row Home Map.

3.3 **Amendments and Supplements.** Declarant hereby reserves unto itself the right, from time to time, to amend a Row Home Map in order to conform to such Row Home Map to the actual location of any Buildings constructed, installed, or erected on the Property by the Declarant and to supplement the Row Home Map in conformance with the City of Durango regulations for As-Built Final Plat Amendments.

ARTICLE IV

OWNER'S PROPERTY RIGHTS IN COMMON ELEMENTS

4.1 **Rights to General Common Elements.** Each Owner shall have a perpetual right and easement of use and enjoyment in and to the General Common Elements, which rights and easements shall be appurtenant to and pass with the transfer of title to the Owner's Row Home Unit; provided, however, that such rights and easements shall be subject to the following:

(a) The terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations, duties, and obligations contained in this Supplemental Declaration and the Row Home Map; and

(b) The right of the Association to maintain, repair, manage, and replace the General Common Elements from time to time.

4.2 **Limited Common Elements.** Subject to the terms and provisions of this Supplemental Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to his Row Home Unit, which rights and easements shall be appurtenant to and pass with the transfer of title to the Owner's Row Home Unit, subject to the right of all Owners of Row Home Units to cross the garage aprons located on Limited Common Elements in connection with ingress to and egress from their Row Home Unit.

ARTICLE V

THE ASSOCIATION

5.1 Authority. The Row Home Units, the Lots, and the Owners thereof shall be subject to the authority of the Association as set forth in the Residential Declaration.

5.2 Membership in the Master and Residential Associations. Owners of Row Home Units shall be members of the Master Association as well as the Residential Association and are subject to all applicable provisions of the Residential Declaration and the Master Declaration.

5.3 Association Responsibility under the Supplemental Declaration. All General Common Elements and Limited Common Elements, including garage aprons, shall be owned, controlled, and maintained at the expense of the Association. Article XI below sets forth more completely Association responsibility for maintenance.

5.4 Maintenance of Row Home Unit and Lot Improvements. The Association shall be responsible for all exterior maintenance and repair of the Row Home improvements on the Project, including exterior siding, exterior windows, garage doors, gutters, landscaping, irrigation systems, sidewalks, garage aprons, exterior light fixtures, central satellite system, all structural elements, and roofs, but not including light bulbs in exterior light fixtures that shall be replaced promptly as needed by the Owner of a Row Home Unit, and except for cleaning and snow removal of decks, porches, and balconies and cleaning and replacing inside window glass panes which shall be the responsibility of the Owner of a Row Home Unit. All Units and Lots together with Row Home improvements constructed thereon, shall be kept at all times in a sanitary, healthful, safe and attractive condition and the Owner or occupants shall in no way use any Lot for storage of materials and equipment except for normal residential requirements or incidental to the construction improvements thereon as herein permitted.

5.5 Landscaping. All landscaping and landscaping improvements shall be constructed and installed within a Project pursuant to a landscaping plan approved by the Design Review Committee and the City of Durango. All landscaping shall be installed within the General Common Elements. The Association shall maintain and replace all such landscaping.

5.6 Other Association Functions. The Association shall undertake those functions and provide those services to the Project as described in this Section or otherwise set forth in this Supplemental Declaration. Further, the Association may undertake, to the extent the Board in its sole discretion so elects, to provide the Project certain other functions or services for the benefit of its Members on such bases as the Board may reasonably determine. Such functions may be provided by the Association's Manager and employees or an independent contractor retained by the Association. With respect to any Project functions or services, the Board shall have the authority to make common expense assessments consistent with the provisions of C.R.S. §38-33.3-315.

The Association shall provide, but shall not be limited to, the following functions or services with respect to the Project: (i) the maintenance and repair of garage aprons; (ii) maintenance, repair, and operation of all Utilities serving General Common Elements located within the Lot line; (iii) snow removal on garage aprons; (iv) the installation, maintenance, repair, and replacement of all improvements and landscaping on the General Common Elements and Limited Common Elements, including front porches, sidewalks, and steps; (v) all powers and functions permitted by the Act; and (vi) all other functions and services set forth in this Supplemental

Declaration.

5.7 Notice to Maintain. An Owner shall immediately report to the Association, in writing, the need for any maintenance, repair, or replacement which is the Association's responsibility to provide. In the event of any disagreement as to the need for or the responsibility of the Association to provide the said maintenance, repair, or replacement, the good faith decision of the Board shall be final.

5.8 Manager. The Association may employ or contract for the services of a Manager to whom the Board may delegate certain powers, functions or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and discretion by the Board.

5.9 Special Provisions Regarding Association Property.

(a) General Common Elements. All General Common Elements shall be eventually owned by the Association and shall, at all times, be owned, managed, operated, and maintained by the Association consistent with the provisions of this Supplemental Declaration and in trust for the use, benefit, and enjoyment of all or some of the Owners of Lots, together with their family members, permitted guests, and permitted invitees. Conveyance or encumbrance of Association property can only occur consistent with the provisions of C.R.S. §38-33.3-312.

(b) Limited Common Elements. The Limited Common Elements described on the Plat, shall be owned, managed, operated, and maintained by the Association consistent with the provisions of this Supplemental Declaration and in trust for the use, benefit, and enjoyment of the owners of the Lots designated for each Limited Common Element as shown on the As-Built Final Plat and Row Home Map for the Project, together with their family members, permitted guests, permitted invitees, and permitted licensees. Conveyance or encumbrance of Association property can only occur consistent with the provisions of C.R.S. §38-33.3-312.

ARTICLE VI

ASSESSMENTS

6.1 Covenant for Assessments. The Declarant and every Owner of each Row Home Unit and Lot located within the Property hereby covenants and agrees by acceptance of a Deed to pay assessments in accordance with Articles VII and VIII of the Residential Declaration and also the Row Home Assessment established pursuant to this Supplemental Declaration.

6.2 Row Home Assessment. Assessment for Row Homes shall be fixed and collected on an annual basis or more often as determined by the Board. Portions of Row Home Assessments, in the discretion of the Board, may be equitably charged to those Lots participating in or receiving Association benefits disproportionately to the Allocated Interests of such Lots. Row Home Assessments shall be included in the Association Budget that is submitted to the vote of the Members pursuant to Section 7.15 of the Residential Declaration, except that the vote of seventy-five percent (75%) of only Owners of Row Home Units shall be required to veto the Row Home Assessment portion of the Budget.

6.3 Row Home Common Expenses. The Row Home Common Expenses may include such items as general maintenance, snow removal, common property insurance, common utilities, any other expenses required

for maintenance and upkeep of the General Common Elements and Limited Common Elements, and capital reserves for replacement of the General and Limited Common Elements that the Association is obligated to replace.

6.4 Allocation of Assessment for Row Home Common Expenses. The Row Home Common Expenses liability for each Lot is calculated on the basis of the Allocated Interests of the Row Home Units. Such Allocated Interest is then multiplied by the Row Home Common Expenses or the Row Home Assessment in question to determine that Lot's share thereof. The Row Home Common Expenses liability of a Lot is determined without reference to the size, value, or use of the Lot, except as provided in Section 6.6 below and except that assessments shall be allocated to and based upon the number of completed Lots (defined by issuance of certificate of occupancy) on the respective Lots annexed into the Property. When additional Lots are annexed to the Supplemental Declaration, assessments for Row Home Common Expenses shall be re-allocated so that each Lot pays an equal share of the Row Home Common Expenses, unless equitably adjusted pursuant to Section 6.2 above and except for the reduced Row Home Assessments as provided below.

6.5 Row Home Working Capital Fund. To ensure that the Association shall have adequate funds to meet the expenses or to purchase necessary equipment or services for the Row Home Project, each person or entity who purchases a Unit or Lot subject to this Supplemental Declaration shall pay to the Association immediately upon becoming the Owner of the Unit a sum equal to one month's Row Home Assessment for the Unit or Lot. Funds paid to the Association pursuant to this section may be used by the Association for payment of operating expenses or any other purpose permitted under the Declaration. Payments made pursuant to this Section shall be nonrefundable and shall not be offset or credited against or considered as an advance payment of any Assessments levied by the Association pursuant to this Supplemental Declaration or the Declaration. The foregoing fees shall be called "Row Home Working Capital Fee."

6.6 Capital Reserves. As part of the Row Home Common Expenses and as a portion of each budget for Assessment for Row Homes, the Association shall establish and maintain a capital reserve replacement fund adequate for the replacement of improvements to the General Common Elements and those Limited Common Elements that it is obligated to maintain. At each Closing, the Association may collect from each new Owner a \$100.00 contribution to the capital reserve replacement fund.

6.7 Reduced Assessments. The Owner of each Lot annexed to this Supplemental Declaration with respect to which a certificate of occupancy has not been issued for the Row Home Unit located or to be located thereon shall pay reduced assessments under the Residential Declaration and under this Supplemental Declaration in accordance with Section 7.3(c) of the Residential Declaration.

ARTICLE VII

PERMITTED USES AND RESTRICTIONS

7.1 Permitted Uses and Restrictions. Each Row Home Unit shall be classified as a Row Home under the Three Springs Codes and Standards and the Property subject to this Supplemental Declaration shall be classified as Residential Development under the Residential Declaration.

7.2 Use Restrictions. Each Row Home Unit shall be governed by the covenants, conditions, restrictions, and easements set forth in Section 4.2 of the Residential Declaration and the following additional

restrictions:

(a) **Fences and Basketball Backboards.** No fences or basketball backboards shall be constructed on any Lot or any portion of the General or Limited Common Elements.

(b) **Decks, Balconies, and Porches.** Decks, balconies, and front porches will be maintained by the Owner and/or Tenant and kept free of debris and snow accumulation. Decks, front porches, and balconies shall not be used for storage of any kind, including, but not limited to bicycles, kayaks, rafts, indoor furniture, and firewood. Indoor furniture, such as couches and chairs, may not be used on decks, balconies, and front porches. No use of charcoal grills or patio chimneys shall be allowed on decks or balconies. Use of natural gas or propane gas grill is permitted and grills shall be covered when not in use. No laundry, flags, banners, antennae, satellite dishes, or any other items shall be allowed to hang from or set upon decks, balconies, or outside windows. Because the decks are not engineered to carry excessive weights beyond those required for snow loads and applicable building codes, no hot tubs, Jacuzzi's, soaking tubs, or large scale water features of any type shall be allowed on or upon the decks at any time. It shall be permissible to maintain patio furniture and planters on decks so long as same are maintained in a neat and orderly condition. There shall be no deck enclosures, roofs, awnings, or any other modifications made to the decks by any Owner.

(c) **Windows and Window Coverings.** No permanent decals or stickers shall be placed on any windows or exterior doors at any time, with the exception of alarm company identification. All window coverings, shades, blinds, curtains, or drapes shall appear neutral or have the color of white to the extent visible from the exterior. No flags, banners, posters, signs, electric string lights, or any other material (other than political signs and flags permitted under Section 4.2(p) of the Residential Declaration) shall be hung in front of windows in a manner that is visible from the exterior except during holiday seasons. Such items may only be displayed thirty (30) days before the holiday and must be removed thirty (30) days after the holiday.

(d) **Air Conditions or Coolers; Antennae and Satellite Dishes.** The location and appearance of air conditioners and evaporative coolers shall be approved by the Design Review Committee in accordance with the provisions of the Residential Declaration and the provisions of Section 38-33.3-106.7 of the Act. Any antennae or satellite dishes shall be subject to approval pursuant to the Residential Declaration and shall comply with the Three Springs Design Guidelines. If a central satellite dish is installed and wired to a Row Home Unit, such central satellite dish shall be the sole source of satellite television service to such Row Home Unit unless prohibited by the Federal Telecommunications Act of 1996, as amended.

(e) **Further Subdivision.** Lots shall not be further subdivided.

(f) **Parking.** No parking shall be permitted on the alley at any time, as such parking blocks snow removal and fire and other emergency access to the Lots. A maximum of one vehicle is allowed to be parked on the driveway apron of a Lot except during snow removal operations as defined by Rules and Regulations. All vehicles parked on the premises will be in good repair as to not leak fluids and soil the garage apron. Any vehicle found to be leaking fluids will be given a warning and if not repaired, fined and charged for the cost of the cleanup. Garage doors must be kept closed at all times except for entry and exit use of the garage.

(g) **Fire and Safety.** Obstruction of any garage apron, walkway, or passageway is not allowed. Blocking the public alley, a fire lane, is against the law. Residents must ensure that smoke detectors in their Row Homes are in working order at all times. All cigarettes should be completely extinguished and disposed of in proper containers.

(h) **Noise and Safety.** Owners and/or Tenants shall make every effort to avoid disturbing neighbors. Loud music or noise is **PROHIBITED** at any time, but in particular between 10:00 p.m. and 8:00 a.m. Social gatherings must be confined to the individual unit, and must be immediately terminated if neighbors are disturbed. The fact that a complaint has not been made does not mean that your gathering is not disturbing neighbors and is not improper. Specific requirements are:

(i) Parties and social gatherings shall be held inside the Row Home or in designated picnic areas.

(ii) No gatherings will be held in parking areas or in alleys.

(iii) Absolutely NO “keg” parties or parties where an admission is charged are allowed. Charging admission is against the law.

(iv) Stereos, televisions, etc. must not be audible outside of the Row Home.

(v) There shall be NO violation of any State statute or City Ordinance.

(vi) There shall be NO underage drinking.

(vii) Public profanity is strictly prohibited.

(viii) If the Durango Police must be called to quell a disturbance or party, the host-tenant or Owner will be held responsible and a citation may be issued. In addition, the Association may press charges against the host-tenant or Owner of the Row Home and impose a fine on such host-tenant or Owner of the Row Home.

(i) **Compliance with Law.** Nothing shall be done or kept in any Row Home Unit, Garage Unit, or in or on the Party Wall, or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body having jurisdiction over the same or in violation of any rules or regulations duly adopted by the Board of Directors of the Association, or create a nuisance to any other Owners or their Tenants, family members, and invitees.

(j) **Tenant Violations.** An Owner of the Row Home Unit may rent or lease such Unit to Tenants for residential use for a term of not less than six (6) months. In the event that Tenants in a Row Home Unit violate the Residential Declaration and /or this Supplemental Declaration or any Rules and Regulations adopted by the Association from time to time, they will be provided with written notice of the violation with a copy to the Owner of record. In the event the violation is not corrected or does not cease within seven (7) days of receipt of written notice or if the violation reoccurs within twelve (12) months of the date of the first notice, the Association shall have the authority to terminate the Tenant’s lease and, if necessary, to remove the Tenant from the premises through an unlawful detainer action in accordance with Colorado law.

(k) **Animals.** The number and type of animals that an Owner or Owner’s tenant may keep in a Row Home Unit shall be subject to the limitations set forth in Section 4.2(a) of the Residential Declaration, except as modified by the following sentence. No animal may be leashed and left outside of a

Row Home Unit on the porch, deck, garage apron, or landscaped area at any time the animal's Owner is not personally present with the animal.

(l) **Skateboards and Bicycles.** No Owner, Tenant, Lessee, or family members or invitees of an Owner, Tenant or Lessee may ride a skateboard, scooter, motorcycle, motorbike, bicycle, or similar device on any part of the General or Limited Common Elements. Skateboards and scooters shall be carried and bicycles, motorcycles, motorbikes and similar devices walked when crossing General or Limited Common Elements to get to and from a Row Home Unit to a public alley or street.

ARTICLE VIII

UNIFORMITY

8.1 **Uniformity.** The Row Home Units and Garage Units comprising a Building are intended to function and resemble a single unit with uniformity in design, materials, and colors and shall be maintained in substantially the same design, quality, elevation style, materials, and colors as originally constructed or as approved by the Design Review Committee.

8.2 **Modifications and Design Review.** No modifications to the exterior of the Row Home Units or Garage Units shall be made without the prior written consent of the Design Review Committee after review and approval of drawings, plans, specifications, engineering reports, and other information as the Design Review Committee may deem to be appropriate and which approval may be denied, granted, or granted with conditions in the sole discretion of the Design Review Committee. Owners of attached Row Home Units shall mutually agree on proposed modifications including variations in exterior color or design elements and shall jointly present an application to the Design Review Committee for consideration. Such application shall be signed by each Owner of attached Row Home Units.

ARTICLE IX

PARTY WALLS

9.1 **General Rules of Law to Apply.** Each Owner shall own in fee simple subject to the provisions of this Article IX the portion of any Party Wall within his Lot. To the extent not inconsistent with this Supplemental Declaration, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto, subject to each Owner's rights to payments for damage or destruction of a Party Wall from insurance obtained by an Owner.

(a) For purposes of this Section 9.1, "Party Wall" shall mean and refer to any wall which is part of a Row Home and located between two or more Row Homes and is placed on or immediately adjacent to a Row Home Lot line and which separates two Row Homes.

(b) Mutual reciprocal easements are hereby established, declared and granted for all Party Walls between Row Home Units which reciprocal easements shall be for mutual support and shall be governed by this Supplemental Declaration. Every conveyance of a Row Home Unit, whether or not expressly so stating, shall be deemed to convey and to be subject to such reciprocal easements.

(c) The cost of reasonable repair and maintenance of any Party Wall shall be borne equally by the Owners of Row Homes sharing the Party Wall. If the Owner of one Row Home sharing the Party Wall refuses to pay his proportionate share of the cost of repair or maintenance, then the other Owner may cause the Party Wall to be repaired and shall be entitled to assess the cost attributable against the non-paying adjoining Owner's Row Home Unit, and the same shall become and remain a lien against the Row Home Unit, until fully paid. Said lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

(d) If a Party Wall is destroyed or damaged by fire or other casualty, Owners of Row Homes sharing the Party Wall may restore it, and if other Owners thereafter make use of the Party Wall, they shall contribute to the cost of restoration thereof in proportion of such use, subject however, to the right of any such Owners to call for a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. If one Owner causes the Party Wall to be restored and any other Owner uses the Party Wall and does not contribute his proportionate share to the costs of the Party Wall's restoration, the Owner who caused the wall to be restored shall be entitled to assess the cost attributable against the non-paying adjoining Owner's Row Home Unit, and the same shall become and remain a lien against the Row Home Unit until fully paid. The lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

(e) Notwithstanding any other provision of this Section 9.1, an Owner who by his negligent or willful act or omission causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements and necessary repairs to the extent insurance proceeds are unavailable.

(f) The right of any Owner to contribution from any other Owner under this Section 9.1 shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.

(g) If any dispute arises concerning a Party Wall under the provisions of this Section 9.1 such dispute shall be arbitrated in the manner set forth in Section 16.14 of the Residential Declaration.

(h) Notwithstanding any other provision of this Section 9.1, the Association may, in its sole discretion make any repairs to Party Walls which the Association deems necessary and the cost for such repairs shall be assessed equally against the Row Home Units benefited by such repairs unless the repairs are necessitated by willful acts or omissions or negligence of one Owner in which case the Owner causing the damage shall pay for all costs of repairs.

ARTICLE X

INSURANCE

10.1 Row Home Insurance. The Association shall, on behalf of the Owners, (i) keep all Row Home improvements (but not including furniture, furnishings or other personal property supplied or installed by Owners), insured against loss or damaged by fire, with extended coverage, (including insurance against loss for damage by vandalism or malicious mischief), in approximately the amount of the maximum replacement value thereof as properly determined from time to time; (ii) provide and keep in force, for the protection of the Association, its officers and directors, and all the Owners and First Mortgagees, general public liability and property damage insurance against claim for bodily injury or death or property damage occurring upon or in the General Common Elements and Limited Common Elements, in amounts set forth in Section 9.5 of the Residential Declaration; (iii) carry insurance required by the Act and such other insurance as the Board may, within its discretion, determine desirable for the protection of the General Common Elements and Limited Common Elements, if any; and (iv) assure that all such insurance shall conform with the requirements set forth in C.R.S. 38-33.3-313(4)(a)-(d). The Master Association may obtain such insurance on behalf of the Association.

10.2 Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are common expenses, notwithstanding the fact that the Owners may have disproportionate liability or that some Row Homes may have greater risk of loss than others. All insurance required to be carried under this Section 10.2 shall be carried in favor of the Association, the Owners and all First Mortgagees, as their respective interests may appear.

10.3 Owner Insurance. An insurance policy issued to the Association does not obviate the need for Owners to obtain insurance for their own benefit. Each Owner shall be responsible for all insurance covering loss or damage to personal property in his Row Home and liability for injury, death or damage occurring inside his Row Home. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

10.4 Workmen's Compensation Insurance. The Board shall obtain worker's compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.

ARTICLE XI

MAINTENANCE

11.1 Maintenance By Owners. Each Owner shall maintain and keep in repair the interior of his Row Home, including the fixtures thereof, including all repairs necessary in order to avoid damaging other Row Home Owners. In performing such maintenance or repairs, or in improving or altering his Row Home, no Owner shall do any act or work which impairs the structural integrity of any Party Wall. Each Owner and/or Tenant shall use the General and Limited Common Elements in such a manner as will ensure that they remain in a sanitary, healthful, safe, and attractive condition. Each Owner is responsible for cleaning of and snow removal from decks, porches, and balconies and cleaning inside window glass panes. The Association is responsible for replacing broken window glass panes.

11.2 Owner's Failure To Maintain or Repair. In the event that a Row Home is not properly maintained and repaired, and if the Owner of the Row Home is responsible for the non-maintained portion of the Row Home, or in the event the Row Home is damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of those portions of the damaged or destroyed Row Home for which the Owner is responsible to the same condition as they existed prior to the damage or destruction, then the Association, after notice to Owner and, with the approval of the Board, shall have the right to enter upon the Row Home to perform such work as is reasonably required to restore the Row Home to a condition of good order and repair. All costs incurred by the Association in connection with such restoration shall be reimbursed to the Association by the Owner of the Row Home, upon demand. All unreimbursed costs shall be a lien upon the Row Home Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with Article VII of the Residential Declaration.

11.3 Maintenance By Association. The Association shall be responsible for the maintenance and repair of the exterior of all Row Homes, including, but not limited to, the roofs, decks, siding, beams, trellises, and planter boxes, if any, and all General and Limited Common Elements (unless the repair is necessitated by damage caused by the negligence, misuse or tortious act of an Owner or Owner's agent, family member, guest, licensee, or invitee) and such maintenance and repairs shall be the common expense of all Owners. The maintenance of General and Limited Common Elements shall include, but shall not be limited to, upkeep, repair, and replacement, subject to any insurance then in effect, of all garage aprons, utilities, storm sewer system, easements, landscaping, walls, gates, signage, irrigation systems, sidewalks, and improvements, if any (which shall include without limitation snow and ice removal services unless performed by another private or public organization formed for such purposes), located in the General and Limited Common Elements. In the event the Association does not maintain or repair the General and Limited Common Elements, Declarant, or an Owner or Owners, shall have the right, but not the obligation, to do so at the expense of the Association. Maintenance of all areas within any Row Home (other than the exterior of the Row Homes), including replacing glass, shall be the responsibility of the individual Owner of the Row Home.

11.4 Easement For Maintenance. The Board of Directors of the Association and its agents and contractors shall have the irrevocable easement and right, to be exercised by the Manager, the agent, or contractor of the Association, the Board, or officers or employees of the Association, to have access to each Row Home from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the General Common Elements or Limited Common Elements therein or accessible therefrom, or at any hour, for making emergency repairs, maintenance, or inspection therein necessary to prevent damage to the General Common Elements, Limited Common Elements, or another Row Home. In the event insurance proceeds under Article X of this Supplemental Declaration are payable to an Owner, but the maintenance responsibility of the area to which such proceeds relate is the Association's, the Association shall complete any such repair or replacement at the Owner's cost and the Owner shall reimburse the Association for all costs of such repair or replacement.

11.5 Association's Right to Grant Owners Maintenance Responsibility. The Association reserves the right to grant the maintenance responsibility of certain areas on each Row Home to the Row Home Owner, and the Row Home Owner is obligated to accept such maintenance responsibility, provided said assignment is done in a uniform and non-discriminatory manner.

11.6 Limited Common Elements Damage. In the event of damage or destruction of a Limited Common Element from any cause other than the negligence or other tortious acts of an Owner or Owner's

agents, family members, guests, licensees, or invites, then Owners of the Lot or Lots to which the Limited Common Element is attributable shall bear equally the expense to repair or rebuild the Limited Common Element to its previous condition. The Owner shall bear the cost of such damage to the extent of the negligence or other tortious act of such Owner or such Owner's agent, family members, guests, licensees, or invitees.

11.7 Additional Association Power. The Association shall have the right and power to prohibit storage or other activities deemed unsafe, unsightly, unreasonably noisy, or otherwise offensive to the visual, auditory, or other senses of the occupants of another Row Home, the General Common Elements, or Limited Common Elements.

ARTICLE XII

EASEMENTS

12.1 Recorded Easements. The Property shall be subject to all easements as shown on the Plat, those of record, those provided in the Act (including easements for encroachment set forth in C.R.S. 38-33.3-214 and an easement for maintenance of any such encroachment) and otherwise as set forth in this Article.

12.2 Blanket Utility Easements. There is hereby created an easement upon, across, over, in, and under all General Common Elements for ingress and egress, installation, replacing, repairing, and maintaining all Utilities, including, but not limited to, water, sewer, gas, telephone, cable television, and electricity. Said easement includes future Utility services not presently available to the Lots which may be reasonably required in the future. By virtue of this easement, it shall be expressly permissible for the companies providing Utilities to erect and maintain the necessary equipment on any of the Lots or General Common Elements and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by the Board of the Association as to locations. All Utilities shall be buried underground.

12.3 Reservation of Easements, Exceptions, and Exclusions. The Association is hereby granted the right to establish from time to time, by declaration, grant, or otherwise, utility or pedestrian easements, permits, or licenses over the General Common Elements for the best interest of all Owners, Members, and Future Members of the Association, the Declarant, and the Association. Each Owner is hereby granted a perpetual nonexclusive right of ingress and egress, from the Owner's Lot over and across the General Common Elements and Limited Common Elements appurtenant to the Owner's Lot, which right shall be appurtenant to the Owner's Lot, and which right shall be subject to limited and reasonable restriction on the use of General Common Elements approved by the Board of the Association.

12.4 Ownership of Common Elements. All General Common Elements, including all easements described herein and on the plat, are generally intended to be owned by the Association, and, with the exception of Limited Common Elements, are for the benefit of all Lots and the owners thereof. Until the Garage aprons and Utilities have been fully constructed, improved, and installed consistent with Declarant's contractual obligations to Lot purchasers, the ownership and control of such utility easements and Common Elements shall remain vested in Declarant. Upon completion of construction, and not later than the date Declarant has conveyed to a buyer the last Lot available for sale, the ownership and control of the Utilities and Common Elements shall be transferred and conveyed to the Association. Upon such conveyance, Declarant shall be relieved from any and all continuing responsibilities and liabilities thereafter except for Declarant's intentional or negligent

construction, improvement, and installation of such improvements. No amendment to this Supplemental Declaration may preclude a Lot from having an access (garage apron) and utility easement necessary to permit the use of such Lot for the purposes set forth in this Supplemental Declaration.

12.5 Easements Deemed Created. All conveyances of Row Home Units hereafter made, whether by a Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Supplemental Declaration, even though no specific reference to such easements or to this Supplemental Declaration appears in the instrument for such conveyance.

ARTICLE XIII

DAMAGE OR DESTRUCTION

13.1 The Role of the Board. In the event of damage or destruction to all or any part of any General Common Elements, Limited Common Elements and any improvements existing thereon, or other property covered by insurance written in the name of the Association (collectively, the "Association-Insured Property"), the Board shall arrange for and supervise the prompt repair and restoration of the damaged property.

13.2 Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition which they existed prior to the damage or destruction unless the approval is first obtained of fifty-one percent (51%) of First Mortgagees of Lots within the Property subject to a First Mortgage and fifty-one percent (51%) of the Owners of all Lots within the Property (which percentage is measured by votes allocated to such Lots). Such costs may also include professional fees and premiums for such bonds as the Board or the Insurance Trustee, if any, determines to be necessary.

13.3 Repairs and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently complete the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

13.4 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement and reconstruction of the Association-Insured Property for the benefit of Owners and First Mortgagees.

If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement, or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may increase the Row Home Assessment in an amount sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction, subject to compliance with the provisions of Section 7.15 of the Residential Declaration regarding submittal of a budget amendment to the Members of the Association. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.

13.5 Disbursement of Funds for Repair and Reconstruction. The insurance held by the Association and the amounts received from the increases in the Row Home Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the additional Row Home Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contribution such Owner made as additional Row Home Assessments, the remainder to be divided among the Lots, first to the First Mortgagees, and then to the Owners, as their interests appear.

ARTICLE XIV

CONDEMNATION

14.1 Rights of Owners. When all or any part of the General Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the General Common Elements is conveyed in lieu of a taking under threat of condemnation by the Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

14.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such a taking shall be payable to the Association for the benefit of the Owners and First Mortgagees and, unless otherwise required under the Act, the award shall be disbursed as follows:

(a) If the taking involves a portion of the General Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners who represent at least sixty-seven percent (67%) of the votes of all the Owners and First Mortgagees of Row Home Units shall otherwise agree, the Association shall restore or replace such General Common Elements so taken on the remaining land included in the General Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Association. If such General Common Elements are to be repaired or restored, the provisions in Article XIII above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any General Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed equally among the Row Home Units, first to the First Mortgagees and then to the Owners, as their interests appear.

14.3 Complete Condemnation. If all of the Project is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Supplemental Declaration shall terminate provided that the approval is first obtained of 67% of all Owners and First Mortgagees of Lots (which percentage is measured by votes allocated to such Lots), and the portion of the condemnation award attributable to the General Common Elements shall be distributed as provided in Section 10.2 above.

ARTICLE XV

ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of purchasing and maintaining insurance pursuant to Article X including the collection and appropriate disposition of the proceeds thereof, the negotiation and settlement of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to purchase and maintain insurance as well as dealing with any improvements covered by insurance written in the name of the Association pursuant to Article X upon their damage or destruction as provided in Article XIII or a complete or partial taking as provided in Article XIV. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authority, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XVI

RESERVED DEVELOPMENT AND SPECIAL DECLARANT RIGHTS

16.1 Reservation of Withdrawal Rights. Declarant reserves the right for itself and any successor Declarant at any time and from time to time to withdraw from the provisions of this Supplemental Declaration, including General and Limited Common Elements, provided however that none of the Property may be withdrawn after any Lot has been conveyed by Declarant to an Owner other than a successor Declarant.

16.2 Other Reserved Rights. Declarant reserves the right for itself and any successor declarant at any time and from time to time to:

(a) Maintain and relocate sales offices, management offices, signs advertising the project, of any size, and store and maintain construction materials and equipment and a construction office on one or more Lots or Row Home Units and within the General and Limited Common Elements so long as Declarant or successor Declarant continues to be an Owner of a Lot or the period of Declarant control has not terminated.

(b) Construct fences throughout the Property during any time of the development and improvement of the Project; provided that such fences have been reviewed and approved by the City of Durango; including temporary construction fencing.

(c) Dedicate any utility easements within the Project to use by the public, the Association, and/or any utility company.

(d) To establish easements, reservations, exceptions, and exclusions consistent with the ownership of this Project and for the best interest of Owners, the Association, including utility easements;

(e) Develop, install, and construct all improvements approved by the City of Durango for the full and complete development of the Project.

(f) Enter into agreements with the City and any other third parties for the purpose of planning and fully developing the Project.

16.3 Termination of Rights. As to all Declarant rights reserved in this Supplemental Declaration, Declarant offers no assurances regarding the manner or order in which it may exercise such reserved

development rights enumerated. The time limits within which each of these rights must be exercised are the later in the time of: (i) the time limit set forth in the applicable Section of this Supplemental Declaration; or (ii) thirty (30) years after recordation of this Supplemental Declaration. The Association or Lot Owners shall have no right to amend this Section 16.3 without the written consent of the Declarant.

ARTICLE XVII

TERM AND TERMINATION OF SUPPLEMENTAL DECLARATION

17.1 **Term.** The term of this Supplemental Declaration shall be perpetual unless and until this Supplemental Declaration is terminated in accordance with its terms.

17.2 **Termination.** This Supplemental Declaration, and the common interests of the Owners in Association Property, may be terminated only if all Owners and Mortgagees agree to such termination by an executed, acknowledged instrument duly Recorded; provided, however, that any such voluntary termination must be approved by the Association. This Supplemental Declaration shall also terminate in the event of a taking of all of the Project by condemnation, eminent domain, or termination as otherwise (except for voting) provided by C.R.S. §38-33.3-218.

17.3 **Disbursement of Proceeds.** Upon the termination of this Supplemental Declaration all property owned by the Association shall be disposed of, with the proceeds generated being disbursed, as provided by C.R.S. §38-33.3-218.

ARTICLE XVIII

GENERAL PROVISIONS

18.1 **Sales Activity.** Declarant and its agents may conduct sales activities on the Project, including the showing of Lots, maintaining sales and management offices, promoting or marketing events, and maintaining signs advertising the Property.

18.2 **Conflict with Plats.** In the event of any conflict or inconsistency between the provisions of this Supplemental Declaration and the Plat or Plats that is/are applicable to the Project, including the plat notes thereon, the provisions of the Plat and plat notes, as the case may be, shall govern and control and this Supplemental Declaration shall be automatically amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of said Plat, including any plat notes.

18.3 **Notice of Action.** Upon written request therefor to the Association, stating both its name and address and the Row Home Unit number on which it holds (or insures or guarantees) a First Mortgage, a First Mortgagee, insurer or guarantor of a First Mortgage which has submitted such written request (referred to herein as an "Eligible First Mortgagee") and all other First Mortgagees of Row Home Units shall be entitled to timely written notice of:

(a) Any condemnation loss or casualty loss which affects either a material portion of the Project or any Row Home Unit subject to a First Mortgage held, insured, or guaranteed by such First Mortgagee, insurer, or guarantor of a First Mortgage;

(b) Any delinquency in the payment of Assessments or charges owed to the Association by the Owner of the Row Home Unit subject to a First Mortgage held, insured, or guaranteed by such First Mortgagee, insurer, or guarantor, or any default by such Owner in any obligation under the Declaration, Articles, or By-Laws of the Association if the Board of Directors of the Association has actual knowledge of such default, when such delinquency and/or default remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of First Mortgagees as provided in this Article XVI.

18.4 Notice of Objection. Unless a First Mortgagee or an insurer or guarantor of a First Mortgage entitled to consent to certain amendments or actions as provided in this Article XVIII provides the Secretary of the Association with written notice of its objection, if any, to the proposed amendment or action within sixty (60) days after it is given notice of the proposal by certified or registered mail, return receipt requested, the First Mortgagee or other party will be deemed conclusively to have approved of the proposed amendment or action and the Secretary of the Association may so state in any document.

18.5 Limitations on Approval Rights. No requirement stated in this Article XVIII to obtain the approval of an Eligible First Mortgagee may operate to:

(a) Deny or delegate control over the general administrative affairs of the Association by the Owners or the Board; or

(b) Prevent the Association or the Board from commencing, intervening in, or settling any solicitation or proceeding; or

(c) Prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds pursuant to Section 38-33.3-313 of the Act.

18.6 Number and Gender. Unless the context shall otherwise provide, a singular number shall include the plural, a plural number shall include the singular, and the use of any gender shall include all genders.

18.7 No Dedication. Unless expressly provided, nothing contained in this Supplemental Declaration shall be deemed to be a gift or dedication of all or any part of the Project to the public or for any public use.

18.8 Registration By Owner of Mailing Address and Notices. Each Owner of a Row Home Unit shall register his mailing address with the Association, and except for monthly statements, notices of meetings of the Board or the Members of the Association or Master Association, and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent either by registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands, or other notices intended to be served upon the Association shall be sent certified mail, postage prepaid, to the address of the Association as designated in the Bylaws of the Association. The Association also may provide notices by e-mail to all Members who have provided an e-mail address to the Association.

18.9 Applicable Law, Jurisdiction and Venue. The interpretation, enforcement, or any other matters relative to this Supplemental Declaration shall be construed and determined in accordance with the laws of the State of Colorado. All parties to this Supplemental Declaration, or those parties who are benefited by this Supplemental Declaration, hereby consent to venue for any action commenced with respect to this Supplemental Declaration being in the District Court in and for the County of La Plata, State of Colorado.

18.10 Severability. Any determination by any court of competent jurisdiction that any provision of this Supplemental Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

18.11 References to Standards. Wherever in this Supplemental Declaration there is reference to County standards, or other federal, state, or local rules, laws, or regulations, such references shall automatically be waived, released, modified, or amended, as the case may be, to correspond with any subsequent waiver, release, modification, or amendment of such rules, laws, regulations, or standards.

18.12 Run with the Land. Declarant, for itself, its successors and assigns, hereby declares that all of the Project shall be held, used, and occupied subject to the provisions of this Supplemental Declaration, and to the covenants and restrictions contained herein, and that the provisions hereof shall run with the land and be binding upon all persons who hereafter become the Owner of any interest in the Project.

18.13 Provisions of the Act. In the event of any conflict between the provisions of the Act and the provisions of the Plat, this Supplemental Declaration, or the Articles of Incorporation or the Bylaws of the Association, the provisions of the Act shall control.

18.14 Binding Effect. Declarant, Owners, lessees, Mortgagees, permitted guests, and invitees, and their heirs, personal and legal representatives, successors and assigns, or any other person using or occupying the Project, shall be bound by, and shall strictly comply with the provisions of this Supplemental Declaration, the Bylaws, the Articles, any deed restrictions, and all rules, regulations, and agreements lawfully made by the Association.

18.15 Limit on Time Sharing or Interval Ownership. No Owner of any Lot shall offer or sell any interest in such Lot under a "timesharing" or "interval ownership" plan, unless approved by the Board of the Association in its sole and absolute discretion.

ARTICLE XIX

CONVEYANCES AND TAXATION OF ROW HOME UNITS

19.1 Legal Effect of Description. Every contract, deed, lease, mortgage, deed of trust, will, and every other instrument affecting title to a Row Home Unit which legally describes said Row Home Unit in the manner set forth in Section 19.2 hereof shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect the Row Home Unit, including all appurtenant property rights, and incorporate all of the rights, limitations, and burdens incident to ownership of a Row Home Unit as described in this Supplemental Declaration and the Row Home Map.

19.2 Provisions Incorporated in Deeds. Each provision contained in this Supplemental Declaration shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any Lot is

granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument. Upon the Recording of this Supplemental Declaration, every contract, deed, lease, mortgage, trust deed, or other applicable instrument may legally describe a Lot by reference to its corresponding number on the recorded Plat as follows:

Unit ____, Hillside Row Homes, according to the Final As-Built Plat of Resubdivision of Lot ____, Block ____ and Row Home Map of Hillside Row Homes at Three Springs, filed for record in La Plata County, Colorado on ____, 2008, under Reception No. ____, and as defined and described in the Supplemental Declaration for Hillside Row Homes at Three Springs filed for record in La Plata County, Colorado, on ____, 2008, under Reception No. ____.

19.3 Taxation. Each Row Home Unit shall be assessed separately for all taxes, assessments, and other charges of the State of Colorado, any political subdivision thereof, any special improvement district, and any other taxing or assessing authority, in accordance with the Act. For the purpose of such assessments, the valuation of the Party Wall shall not be separately assessed, but shall be apportioned to the individual Row Home Unit or Row Home Units to which such Party Wall is allocated. No forfeiture or sale of any Row Home Unit for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Row Home Unit.

ARTICLE XX

MECHANICS' AND OTHER LIENS

20.1 Mechanics' and Other Liens. No labor performed or materials furnished for use and incorporated in any Row Home Unit with the consent or at the request of the Owner thereof, its agent, contractor, or subcontractor, shall be the basis for the filing of a lien against a Row Home Unit or appurtenant Party Wall of any other Owner not expressly consenting to or requesting the same. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien against the Row Home Unit of any other Owner, for labor performed or for materials furnished in work on the first Owner's Row Home Unit, including attorneys' fees and costs of litigation.

20.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner, if the Association determines that further action by it is proper and the mechanic's lien(s) or other liens are not disputed claims with a reasonable basis for such dispute, the Association shall enforce the indemnity provided for in Section 20.1 hereof by collecting from the Owner of the Row Home Unit on which the labor was performed or materials or utilities furnished, the amount necessary to discharge any such mechanic's lien or pay such utility charges, including all costs and reasonable attorneys' fees incidental thereto, and obtain a discharge of such lien. In the event that the Owner of the Row Home Unit on which the labor was performed or materials or utilities furnished refuses or fails to so indemnify within seven (7) days after the Association shall have given notice to such Owner of the total amount, or any portions thereof, from time to time, of the amount to be indemnified, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 20.2 and such amount to be indemnified shall automatically become a lien against such Row Home Unit, and the Association may proceed to foreclose such lien in accordance with the procedures set forth in Article VIII of the Residential Declaration.

20.3 Effect of Part Payment. In the event a lien attributable to labor performed and/or materials furnished on the Project, or any portion thereof, is effected against two or more Row Home Units, the Owner(s) of any of the affected Row Home Units may pay to the lienholder the amount of the lien attributable to such Owner's Row Home Unit and the lienholder shall release such Row Home Unit from the lien. The amount required to be paid by any such Owners in order to obtain release of their Row Home Unit from any such lien shall be equal to the quotient of (i) the amount of the lien, divided by (ii) the total number of Row Home Units affected by the lien. Partial payment and release of any such lien with respect to any Row Home Unit(s) shall not prevent the lienholder from enforcing its rights against any Row Home Unit for which payment has not been received.

ARTICLE XXI

BURDENS AND BENEFITS OF SUPPLEMENTAL DECLARATION

21.1 Covenants Running With Property. The benefits, burdens, and all other provisions contained in this Supplemental Declaration shall be covenants running with and binding upon the Lots.

21.2 Binding Upon and Inure to the Successors. The benefits, burdens, and all other provisions contained in this Supplemental Declaration shall be binding upon, and inure to the benefit of the Declarant, the Association, and all Owners of Row Home Units and upon and to their respective heirs, executors, administrators, personal representatives, successors and assigns. Any right or any interest reserved or contained in this Supplemental Declaration to or for the benefit of the Declarant may be transferred or assigned by the Declarant, either separately or with one or more of such rights or interests, to any person, corporation, partnership, association, or other entity.

ARTICLE XXII

AMENDMENT OF SUPPLEMENTAL DECLARATION

22.1 Amendment. The provisions of this Supplemental Declaration may be amended, in whole or in part, at any time and from time to time, by instrument approved in writing by the Owners of not less than sixty-seven percent (67%) of the Row Home Units and the percentage of First Mortgagees as required under Section 22.4 of this Supplemental Declaration; provided, however, that no amendment shall adversely affect the Declarant's rights hereunder or amend this Section 22.1 without the prior written consent of Declarant as long as Declarant owns a Row Home Unit or a Lot that may be annexed to this Supplemental Declaration.

22.2 Recording of Amendments. To be effective, all amendments to this Supplemental Declaration must be Recorded and must contain evidence of approval thereof as required under the Act. The Secretary of the Association may certify on the amendment that the amendment has received the approval of the required number of Owners and First Mortgagees in lieu of affixing the signatures of such Owners and First Mortgagees, provided that the President of the Association has executed such amendment.

22.3 Presumption of Validity. No action to challenge the validity of an amendment certified by the Association pursuant to this Article may be brought more than one year after the amendment is recorded. There will be a presumption subsequent to the recording of an amendment to this Supplemental Declaration that all votes and approvals required to approve the same pursuant to this Supplemental Declaration were duly obtained (at a duly called meeting of the Association, in the case of votes). Such presumption may be rebutted

by an action commenced within one year from the date the amendment is recorded. In the absence of any such action, such presumption will be deemed conclusive.

22.4 First Mortgagee Consent. The following provisions shall apply to and inure to the benefit of all First Mortgagees of Row Home Units:

(a) Unless it has obtained the prior written consent of at least sixty-seven percent (67%) of the Owners of Row Home Units and the consent of sixty-seven percent (67%) of the First Mortgagees of Row Home Units (based on one vote for each First Mortgage held):

(i) seek to abandon or terminate the Project, whether by act or omission, except:

(A) for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty, or

(B) in the case of a taking by condemnation or eminent domain, in which event the provisions of Article XIV of this Supplemental Declaration shall control, or

(C) for amendments to this Supplemental Declaration, the Articles, or By-Laws of the Association made as a result of destruction, damage, or condemnation of the Project or improvements thereon.

(ii) change the pro rata interest or obligations of any individual Row Home Unit for the purpose of levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

(iii) except for any greater than sixty-seven percent (67%) voting requirements for Owners as set forth in Section 38-33.3-312 of the Act, by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the General or Limited Common Elements (excluding the granting of permits, licenses, and easements for public utilities or other purposes consistent with the intended use of the General and Limited Common Elements or reasonably necessary or useful for the proper maintenance or operation of the Project);

(iv) partition or subdivide any Row Home Unit;

(v) use hazard insurance proceeds for losses to any part of the Project (whether to Row Home Units or General or Limited Common Elements) for other than the repair, replacement, or reconstruction of such Row Home Unit in accordance with the procedures set forth in Article XIII hereof, except as may be provided by statute in the case of substantial loss to such Row Home Units and/or General or Limited Common Elements;

(vi) Unless it has obtained the prior written consent of at least sixty-seven percent (67%) of the total votes allocated to Owners of Row Home Units, and sixty-seven (67%) of the First Mortgagees (based upon one vote for each First Mortgage encumbering a Row Home), add or amend any material provisions of this Supplemental Declaration, the Articles, or By-Laws of the Association which establish, provide for, govern, or regulate any of the following as they affect Row Home Units, provided that

such additions or amendments shall not be considered material if they are for the purpose of correcting technical errors or for clarification only:

- (A) voting rights;
- (B) increases in Assessments that raise the previously-assessed amount by more than twenty-five percent (25%), Assessment liens, or the priority of Assessment liens;
- (C) reductions in reserves for maintenance, repair, and replacement of the General or Limited Common Elements;
- (D) responsibility for maintenance and repair of any portion of the Project;
- (E) reallocation of rights to use of the General or Limited Common Elements;
- (F) convertibility of Row Home Units into General or Limited Common Elements or of General or Limited Common Elements into Row Home Units;
- (G) expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project;
- (H) insurance, including, but not limited to, fidelity bonds;
- (I) imposition of any restrictions on leasing of Row Home Units;
- (J) imposition of any restriction on the right of any Owner to use his Row Home Unit or the General and Limited Common Elements or to sell or transfer his Row Home Unit;
- (K) any decision by the Association to assume self-management of the Association, when professional management has previously been required by this Supplemental Declaration or by any First Mortgagee or any insurer or guarantor of a First Mortgage;
- (L) any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, other than substantially in accordance with this Supplemental Declaration, the Articles, and By-Laws of the Association;
- (M) any action to terminate the legal status of the Project; or
- (N) any amendments to this Supplemental Declaration that are of a material adverse nature to or that amend provisions which are for the express benefit of First Mortgagees, insurers, or guarantors of First Mortgages.

ARTICLE XXIII

MISCELLANEOUS

23.1 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges, and other provisions contained in this Supplemental Declaration shall follow the procedures, terms, provisions, and requirements of Section 16.14 of the Residential Declaration.

23.2 Non-Waiver. Failure by the Declarant, the Association, any Owner, First Mortgagee, or other person or entity to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Supplemental Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

23.3 Severability. The provisions of this Supplemental Declaration shall be deemed to be independent and severable, and the invalidation of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

23.4 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Supplemental Declaration are inserted herein only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Supplemental Declaration or the intent of any provision hereof.

23.5 Conflicts in Documents. In case of any conflict between this Supplemental Declaration and the Articles of Incorporation or By-Laws of the Association, this Supplemental Declaration shall control. In case of any conflict between the Articles of Incorporation and By-Laws of the Association, the Articles of Incorporation shall control.

23.6 Counterparts. This Supplemental Declaration and any amendments hereto, may be executed in several counterparts and all counterparts so executed shall constitute one document binding on all signatories thereof, notwithstanding that all signatories have not executed the original or the same counterpart. In the event that any such document is executed in counterparts, those pages from the counterparts on which signatures and/or certificates of notaries public appear may be attached to the original instrument for the recordation thereof, provided that such recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are identical

[Remainder of page intentionally left blank]

11 IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand this day of December, 2008.

GRVP, LLC, a Colorado limited liability company

By: GFMC, LLC, a Colorado limited liability company
Its: Manager

By: 
Its: Duly Authorized Agent

STATE OF COLORADO)
) ss.
COUNTY OF LA PLATA)

The above and foregoing Supplemental Declaration for Hillside Row Homes at Three Springs was acknowledged before me this 11th day of December, 2008, by PATRICK VAUGHN, as a duly authorized agent of GFMC, LLC, a Colorado limited liability company, Manager of **GRVP, LLC**, a Colorado limited liability company, as Declarant.

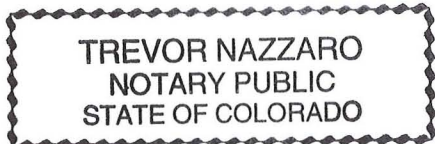
WITNESS my hand and official seal.

My commission expires:

12/14/09



Notary Public



My Commission Expires 12/14/2009

EXHIBIT A
TO
SUPPLEMENTAL DECLARATION
FOR
HILLSIDE ROW HOMES
AT
THREE SPRINGS

THE PROPERTY

Legal Description of Initial Hillside Row Home Lots

Lot 120, Block 6, of the Three Springs Village 1 Filing 2A,
City of Durango, State of Colorado, according to the final plat thereof recorded
on June 29, 2006, at Reception No. 937030, in the records of the Clerk and
Recorder for La Plata County, Colorado.

And

Lots 144 and 145, Block 8, and
Lot 148, Block 9, of the Resubdivision of a Portion of Block 8 and a Portion of
Block 9, Three Springs Village 1 Filing 2A,
City of Durango, State of Colorado, according to the final plat thereof recorded
on October 23, 2008, at Reception No. 985623, in the records of the Clerk and
Recorder for La Plata County, Colorado.

EXHIBIT A **HILLSIDE ROWHOMES AT THREE** **SPRINGS** **COVERED PROPERTY** **(THE PROPERTY)**

SUPPLEMENTAL DECLARATION HILLSIDE ROWHOMES AT THREE SPRINGS COVERED PROPERTY DESCRIPTION

Lot 120, Block 6 of the Three Springs Village I Filing 2A, City of Durango, State of Colorado, according to the Final Plat thereof recorded on June 29, 2006, at Reception Number 937030, in the records of the Clerk and Recorder for the County of La Plata, State of Colorado.

Lot 144 and 145, Block 8 and Lot 148 Block 9 of the Resubdivision of a Portion of Block 8 and a Portion of Block 9, Three Springs Village I Filing 2A, City of Durango, State of Colorado, according to the Final Plat thereof recorded in the records of the Clerk and Recorder for the County of La Plata, State of Colorado.

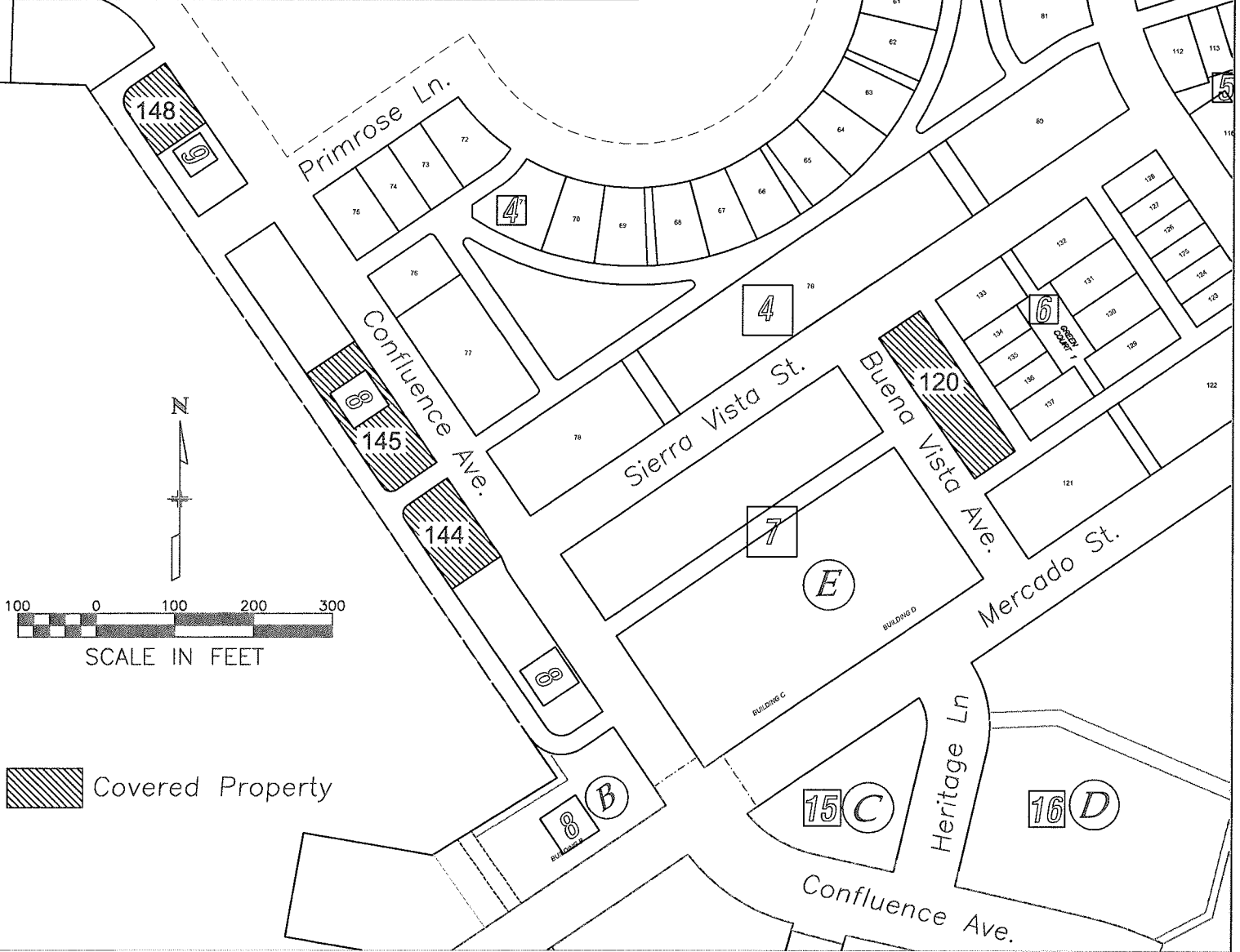


EXHIBIT B
TO
SUPPLEMENTAL DECLARATION
FOR
HILLSIDE ROW HOMES
AT
THREE SPRINGS

RESIDENTIAL ASSOCIATION COVERED PROPERTY

EXHIBIT B RESIDENTIAL ASSOCIATION COVERED PROPERTY

RESIDENTIAL ASSOCIATION ANNEXATION COVERED PROPERTY DESCRIPTION:

Block 2—Lots 14–23, inclusive, Block 2—Lots 28–37, inclusive, Block 3—Lots 38–43, inclusive, Block 3—Lots 48–54, inclusive, Block 5—Lots 84–119, inclusive, Block 6—Lots 123–137, and Block 6—Lot 120, inclusive, of Three Springs Village I Filing 2A, City of Durango, State of Colorado, according to the Final Plat thereof recorded on June 29, 2006, at Reception Number 937030, in the records of the Clerk and Recorder for the County of La Plata, State of Colorado.



Covered Property

----- Filing 2A Boundary

Future Development

Future Development

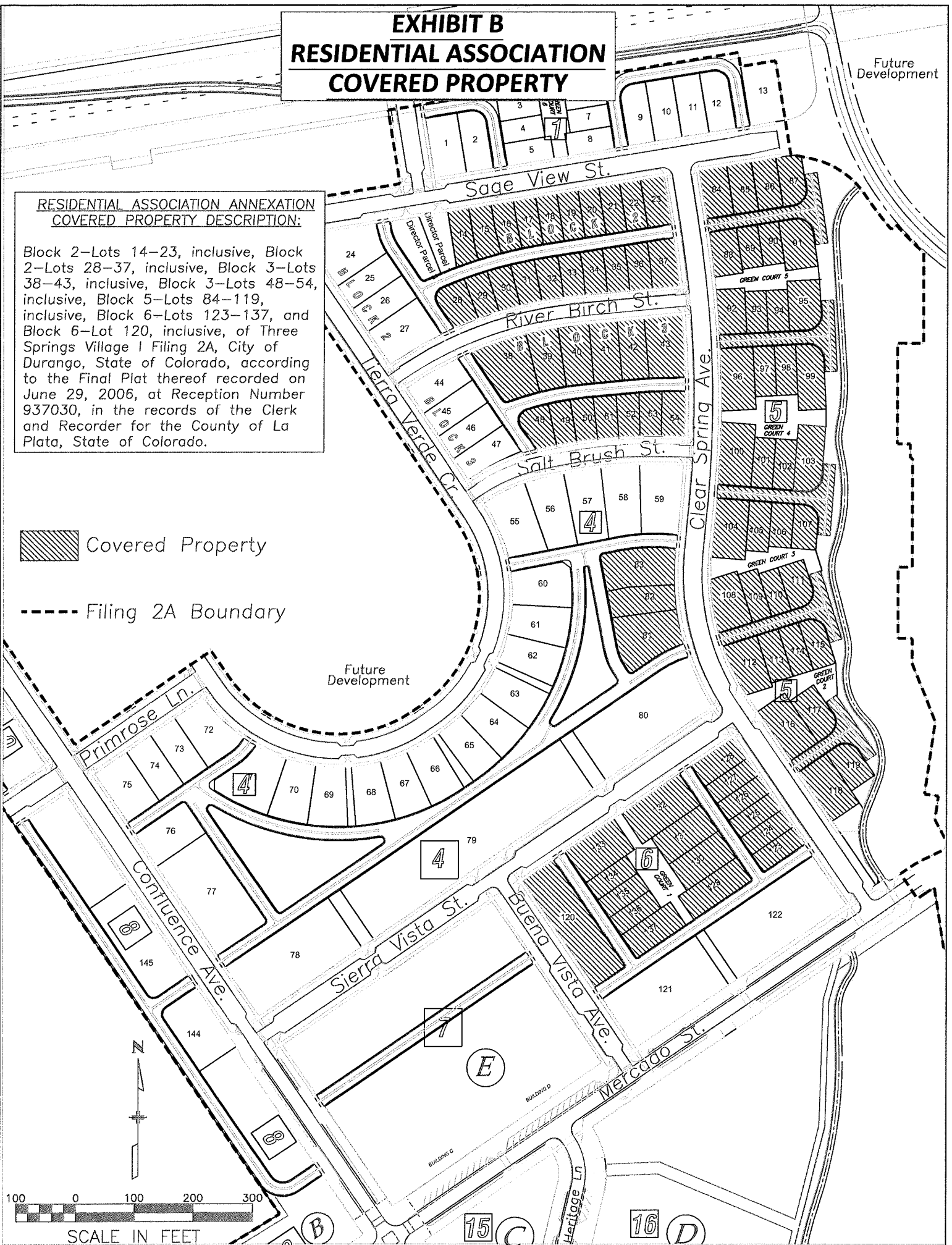
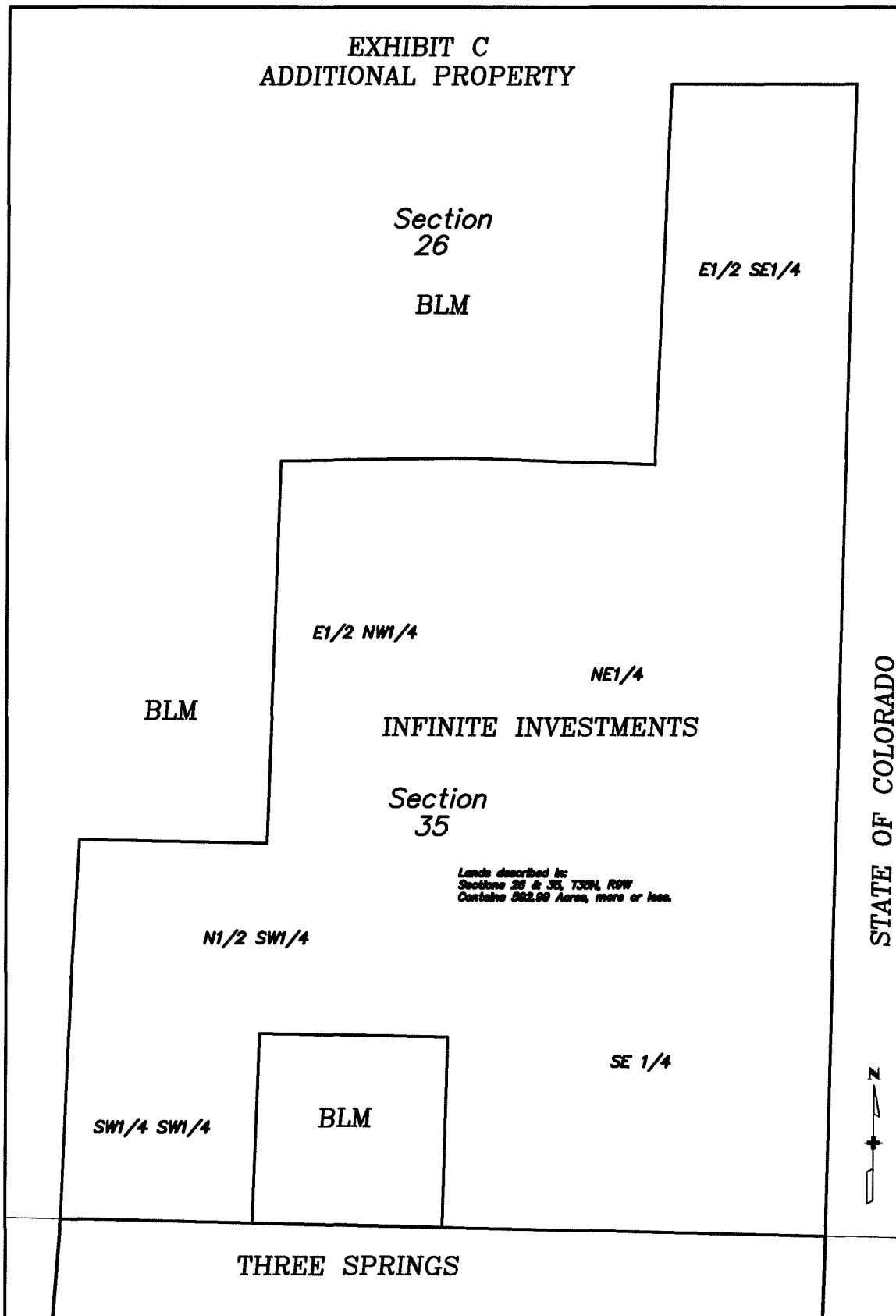


EXHIBIT C
TO
SUPPLEMENTAL DECLARATION
FOR
HILLSIDE ROW HOMES
AT
THREE SPRINGS

ADDITIONAL PROPERTY

**EXHIBIT C
ADDITIONAL PROPERTY**



STATE OF COLORADO



ADDITIONAL PROPERTY DESCRIPTION:

All of the E1/2NE 1/4 of Section 35, T35N, R9W, N.M.P.M.
TOGETHER WITH: a tract of land lying and being in Section 26, T35N, R9W, N.M.P.M. on a line 74.00 feet north of and parallel to the southerly line of said Section 26.

AND

The E1/2SE1/4 OF Section 26, T35N,R9W, N.M.P.M.
The NE1/4, SE1/4, E1/2NW1/4,N1/2SW1/4,SW1/4SW1/4, of Section 35, T35n, R9W, N.M.P.M.

BECHTOLT

ENGINEERING, LLC

3099 Main Ave. DURANGO, COLORADO 81301
(970) 259-7534

SCALE: nts

DATE: 6/15/06

DRAWN BY: MAP

CHECKED BY:

Page 1

of 1

**EXHIBIT C
ADDITIONAL PROPERTY**

SECTION 2, T34N, R9W, N.M.P.M.
*
SECTION 35, T 34.5 N R9W, N.M.P.M.

DNV: METRO DIST EXHIBITS ENG.DWG