

**AMENDED AND RESTATED
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF PARK RIDGE HOMEOWNER'S ASSOCIATION, INC.**

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**AMENDED AND RESTATED
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF PARK RIDGE HOMEOWNER'S ASSOCIATION, INC.**

This AMENDED AND RESTATED DECLARATION, made on the date hereinafter set forth by the undersigned parties, hereinafter referred to as "Declarant," restates and amends the Declaration recorded on 11/27/2006 at Book 4300, page 630, Mesa County.

The name of the corporation is Park Ridge Homeowner's Association, Inc., a nonprofit corporation, hereinafter referred to as the "Association."

WHEREAS, this property is located in the County of Mesa, State of Colorado, which is more particularly described as:

Lots 1 through 11, inclusive, Park Ridge Townhomes

NOW, THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

This Amended and Restated Declaration includes Senate Bill 05-100 (passed June 2005) and Senate Bill 06-89 (passed May 2006) concerning increased protection for homeowners.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Park Ridge Homeowner's Association, Inc., its successors and assigns.

An association is to organize as a nonprofit, not-for-profit, or for-profit corporation or a limited liability company. The failure of an association to do so will not have a negative effect on the community's existence under CCIOA or the rights of any individuals who relied on the association's existence as one of the above entities. None of the association's substantive rights or obligations under CCIOA will be affected by the choice or organization. (38-33.3-301). January 1, 2006

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions of Park Ridge Subdivision, and such additions thereto as may hereafter be brought within the jurisdiction of the association.

Section 3. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to the undersigned parties, their successors and assigns.

Section 7. "Architectural Control Committee" shall mean and refer to the Architectural Control Committee (ACC) set forth at Article VI of the Declaration.

ARTICLE II

PROPERTY RIGHTS

Section 1. **Owners' Easement of Enjoyment.** Every Owner shall have a right and easement of enjoyment in and to all of the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to adopt reasonable rules and regulations for the use of the Common Area.

(b) The right of the Association to suspend the voting rights and right to use of the common area by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations.

(c) The right of the Association subject to the provisions of the Articles of Incorporation, to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2. **Delegation of Use.** Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have one class of voting membership, being all Owners of Lots within Park Ridge Townhomes who shall be entitled to one vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV

COVENENT FOR MAINTENANCE ASSESSMENTS

Section 1. **Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvement, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to provide and maintain the Common Area and to perform the obligations of the Association as required hereunder.

Section 3. **Maximum Annual Assessment.**

- a. The maximum annual assessment may be increased each year not more than 25% above the maximum assessment for the previous year without a majority vote of the membership.
- b. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. **Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement as required hereunder, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

- An association **MUST** physically post the notice of any unit owner meeting – annual or special – in a conspicuous place, if at all feasible and practicable. (38-33.3-308(1)).
- In addition to a physical posting, associations are encouraged to give notice of any unit owner meetings – annual or special – by posting the notice on its website or sending out an email to all unit owners. If an association has the ability to give electronic notice, it **MUST** provide notice of owner meeting by e-mail if requested by an owner who gives the association his or her e-mail address. The notification e-mail must be sent as soon as possible and at least twenty-four hours before the meeting. (38-33.3-308(2)(b)(1)). – Effective June 2006

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Date. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. *The monthly homeowner's fee/assessment is due to the manager/treasurer by the 15th of each month. A late fee of \$20.00 may be charged after that date.* The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A property executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 18 percent per annum. The association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the irrigation water delivery system or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exemption from Colorado Common Interest Ownership Act.

Notwithstanding any other provision contained herein, Declarant hereby affirmatively states that at no time shall the annual assessment imposed herein on each lot, exclusive of optional user fees and insurance premiums paid by the association, if any, exceed three hundred dollars, or such higher amount as may be hereafter permitted under the Act (as hereafter defined) to retain this exemption. Therefore, the properties are subject to §§38-33.3-105 through 107, C.R.S., but are not subject to the remainder of the provisions of the Colorado Common Interest Ownership Act, as set forth in §38-33.3-101, et seq., C.R. S. (the "Act").

ARTICLE V

USE RESTRICTIONS

Section 1. Temporary Structures. No trailer, unimproved basement, tent, shack, garage, barn or other outbuilding erected on any land covered by the covenants shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

Section 2. Drainage. There shall be no interference with the established drainage pattern over any property within Park Ridge unless adequate provision is made for proper drainage and is approved by the Architectural Control Committee. For the purposes thereof, "Established Drainage" is defined as the drainage which exists at the time the overall grading of any Association Property is completed, or which is shown on any plans approved by the Architectural Control Committee. A permanent easement across the Common Area for drainage purposes is hereby granted.

Section 3. No Hazardous Activities. No activities shall be conducted on any Property and no Improvements constructed on any property which are or might be unsafe or hazardous to and person or property.

Section 4. Prefabricated Structures. All dwellings, garages and outbuildings constructed upon the land covered by these covenants shall be of top quality design, construction, workmanship and materials; in particular, no structure will be of the type known as "pre-built", "pre-cut", "modular", "manufactured", or "pre-fabricated", regardless of its quality as determined by other standards.

Section 5. Devices for TV Reception. Satellite dish or similar devices for radio, TV or any other electronic transmission or reception must be put in an inconspicuous place. The placement of these devices must be approved by the Architectural Control Committee.

Section 6. Grounds Maintenance. The land covered by these covenants, and the improvements thereon, shall be maintained by the owner in good condition and neat appearance, and no portion thereof shall be used or maintained as a dumping ground for trash, junk or rubbish. Trash, garbage and other waste shall not be kept on any lot except in containers designed for storage and disposal of the same, which containers shall be kept in a clean and sanitary condition at all times. In the event any owner shall fail to maintain their lot or lots, the Association shall have the power to hire clean-up as necessary and to bill the lot owner, and file mechanics liens for said work in the event of nonpayment.

Section 7. Residential Use/Rentals. No residence shall be used for any purpose other than single-family residential purposes. Nothing in this Declaration shall prevent the rental of property within a Residential Area by the Owner thereof for residential purposes, subject to all the provisions of Park Ridge Restrictions.

Notwithstanding any uses permitted by applicable zoning ordinances to the contrary, no trade, industry, shop of professions requiring "STOCKIN TRADE", nor any noxious or offensive activity which may become an annoyance or nuisance to the neighborhood shall be carried on upon any land covered by these covenants. Home offices are permitted as are businesses considered "traveling salespersons", i.e.: insurance, mail order and franchises such as Avon, etc., as long as clientele do not make frequent visits, and no signs of any kind are displayed on the premises and the street address is not used in public advertisements.

Section 8. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any property within Park Ridge, and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Board of Directors of Park Ridge Homeowners Association

Section 9. Signs and Flags. Signs by private lot owners will be no larger than four (4) square feet and are not allowed on a permanent basis or to advertise a business. Signs on Common Areas are governed by the ACC. Any "For Sale" or "For Lease" signs not more than (3) three feet by (2) two feet shall not require ACC approval.

Patriotic and Political Expression.

Associations may not prohibit Owners or Occupants from displaying the American flag on their property, in the windows of their units, or on their balconies if the display complies with the Federal Flag Code, 4 U.S.C.4 to 10. Associations may regulate the location and size of flags and flagpoles, but may not ban the installation of flags and flagpoles all together. (Section 38-33.3-106.5(1)(a)).

Associations may not completely prohibit the display of political signs on unit owners' property or in their windows. Associations may ban the display of such signs earlier than 45 days before Election Day and later than 7 days after an election. An Owner or occupant may display one Political Sign per political office or ballot issue that is contested in the election. A Political Sign may be no larger than 36" x 48" or the maximum allowed by an applicable city, town, or county ordinance that regulate the size of political signs on residential property whichever is smaller. Effective May 2006

Service Flags. Associations may not prohibit owners from displaying a service flag with a star denoting the service of the unit owner or a member of the unit owner's immediate family in the active or reserve military service during a time of war or armed conflict. Associations must allow these flags to be displayed on the inside of a window or door of the unit owner's residence. Associations may make reasonable rules to regulate the size and method of the display of service flags, but must at least allow flags that measure nine inches by sixteen inches. Associations have the discretion to allow for flags larger than nine by sixteen inches.

Section 10. Animals. No animals shall be allowed other than domestic pets, but not more than any three (3) pets in cumulative total shall be kept on the premises and only then if they are kept solely as household pets for private use and not for commercial purposes. No such animal may be kept which is a nuisance or annoyance to other owners' property. Household pets shall be contained on their owner's property or on a leash and not permitted to run loose. Each owner shall be responsible for the control of his pets and for the clean-up of waste from his pets.

At the request of any owner, the board of directors of the Association shall determine whether a particular animal shall be considered a household or yard pet, a nuisance, or whether the number of any such animals on any lot is in compliance. The Board of Directors of the Association may from time to time determine that a Reasonable Number in any instance may be more or less. Habitually barking dogs and vicious breeds are prohibited at the sole discretion of the Association.

Section 11. Drilling. No oil drilling, oil development, refining, quarrying or mining operations of any kind shall be permitted nrt shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

Section 12. Fences, Landscaping. No trees, shrubs or hedge plants shall be planted until a plot plan setting forth in detail landscaping design and location and varieties of plants, has been approved by the ACC. No fences shall exceed six (6) feet in height, and all fences are to be architecturally compatible and uniform with the dwellings. All fence plans must be approved by the ACC with plans sufficient to show the location, height, materials, and color to be used in the erection of the fence.

Section 13. Keeping of Motor Vehicles. No motor vehicle or recreation vehicle designed for travel over public roads shall be kept upon any real property within said subdivision unless such vehicle shall bear evidence of a license for operation upon public roads of the state of Colorado for the then current year and is kept inside a garage or within a visually screened area as may be approved by the ACC. No vehicle of any type shall be parked on any Lot or Common Area for the purpose of making any kind of repairs, other than routine maintenance work (e.g. engine oil change, waxing, minor engine tune-up).

Section 14. Recreational Vehicles. No vehicles, boats, campers, trailers, snowmobiles, motorcycles or other such recreational vehicles, devices or equipment, or vehicles used for business (other than normal passenger type vehicles) shall be stored or permitted to remain on the premises unless garaged or placed in an approved outbuilding or screen storage facility.

Section 15. Emergency Vehicles.

Associations may not prohibit the parking of a motor vehicle on a street, driveway, or guest parking in the community if the unit owner or occupant is required by his or her employer to have the vehicle at his or her residence during designated times AND which meets all of the following criteria:

- a. The vehicle is required by an Owner's or occupant's employer to be parked at the Owner's or occupant's residence as a condition of the Owner's or occupant's employment; and
- b. The vehicle has a gross weight of ten thousand pounds or less; and

- c. The vehicle is used by an Owner or occupant who is a member of a volunteer fire department or employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services; and
 - d. The vehicle bears an official emblem or other visible designation of the Emergency Service Provider
 - e. While parked, the Emergency Vehicle shall not obstruct emergency access or interfere with the reasonable needs of other Owners or occupants to use the streets, driveways, and guest parking spaces within the community, as determined by the Board of Directors.
- (Effective May 26, 2006)

Section 16. Air Conditioning/ Swamp Coolers. No window air conditioning units shall be installed. Central air conditioning systems may be installed by Owner at any time. Placement of condenser must be approved by the Architectural Committee, and the Owner must submit a placement drawing for approval.

Swamp Cooler replacement will be the responsibility of the owner of each unit with an allowance from the Homeowners Association of \$350. Effective January 2010.

ARTICLE VI ARCHITECTURAL CONTROL COMMITTEE

Section 1. Appointment of Architectural Control Committee. The Architectural Control Committee (ACC) shall consist of three (3) persons to be appointed by the majority of the Board.

Section 2. Duties. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee or by the Board of Directors .

Section 3. Submission of Plans. Duplicate copies of plans and specifications relating to an improvement, including, but not limited to residences, fences, garages, and outbuildings, shall be submitted to ACC for review and final approval. Plans and specifications shall contain, without limitation, the plot plans showing layout, including setbacks, flow and manner of surface drainage, finish and natural grade elevations, floor plans showing overall dimensions, roof plans showing pitch, roof materials, color, exterior elevations showing doors, windows and exterior materials and colors, and a perspective sketch if requested, and other details necessary to explain any feature or component of the improvement.

Section 4. Matters Considered. The ACC shall consider the aesthetic and functional design of any improvement as to the quality of workmanship and materials, harmony of exterior design with existing improvements, location with respect to topography and finished grade

elevation, and the preservation and enhancement of the value and the visual appearance of existing improvements.

Section 5. Approval. The ACC shall approve or disapprove all written plans within thirty (30) days after submission. In the event the ACC fails to take any action within such thirty (30) day period, the proposed improvement shall be deemed approved. The majority of vote of the ACC shall be required for the approval or disapproval of any proposed improvement.

An association shall have standards and procedures for approving or denying unit owners' applications for architectural or landscaping changes. These standards and procedures may be in the association's declaration or its rules and regulations or bylaws. No decision on an architectural or landscaping application may be made arbitrarily or capriciously. (38-33.3-302(3)(b)). Effective January 1, 2006

Section 6. Xeriscaping.

- Any association covenant either restricting or limiting xeriscaping or requiring the primary or exclusive use of turf grass is declared contrary to public policy. This declaration renders *any* such covenant unenforceable, regardless of how long the covenant has existed. (37-60-126(11)(a)).
- Associations may not place more procedural requirements on unit owners who seek approval for xeriscaping than already exist in the in the association's governing documents. The types of procedural requirements within the statute's scope include 1) an architect's stamp; 2) preapproval by an architect or a landscape architect hired by the board; 3) an analysis of water usage under the new landscape plan or a history of water usage under the unit owner's existing landscape plan; and 4) the adoption of a landscaping change fee. (37-60-126(11)(b)(1)). June 6, 2005
- Associations still may take enforcement action against unit owners who let their landscaping die UNLESS water use restrictions have been declared by local authorities. (37-60-126(11)(c)).
- During a period of water use restrictions, associations must suspend any enforcement actions against owners whose landscaping dies as a result of complying with the imposed watering restrictions. (37-60-126(11)(c)).
- Associations must allow unit owners a "reasonable and practical" opportunity to revive dead grass before requiring a unit owner to re-sod. (37-60-126(11)(c)(III)). Effective June 6, 2005

Section 7. Fire Mitigation and Replacement of Flammable Roofing Materials.

- An association may not prohibit owners from removing vegetation around their homes for fire mitigation purposes as long as the removal complies with a written defensible space plan. (38-33.3-106.5(1)(e)).
- Such plan must have been created for the property by:
 - The Colorado state forest service;
 - An individual or company certified by the local government to create a defensible space plan; OR
 - The fire chief, fire marshal, or the property's fire protection district. (38-33.3-106.5(1)(e)).
- A unit owner has the responsibility to:
 - Not remove more vegetation than is necessary to comply with the applicable written defensible space plan.

- Register the plan with the association before beginning removal of the vegetation.
- Comply with the applicable association standards regarding slash removal, stump height, revegetation, and contractor regulations. (38-33.3-106.5(1)(e)).
- The association retains the right to require changes to the plan if the association obtains the permission of the entity that originally created the plan. (38-33.3-106.5(1)(e)).
- An association may not prohibit a unit owner from replacing cedar shakes or any other flammable roofing materials with nonflammable materials. (38-33.3-106.5(1)(f)(I)).
- An association's declaration or bylaws may specify reasonable standards for the color, appearance, and general type of nonflammable roofing materials that may be used. (38-33.3-106.5(f)(II)).
- An association's governing documents may NOT require the use of nonflammable materials that would exceed the cost of replacing the flammable materials for which they are being substituted. (38-33.3-106.5(f)(II)). Effective June 6, 2005

Section 8. Limitation on Liability. The ACC shall not be liable in damage to any person submitting requests for approval or to any Owner within the Property by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such request. The actions of the ACC shall be deemed conclusively binding upon the Owners.

ARTICLE VII

GENERAL PROVISIONS

Section 1. No Further Subdividing. No Lot may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof; provided, however, that nothing herein shall be deemed to prevent or require the approval of the Board for the transfer or sale of any Lot to more than one person to be held by them as tenants in common or joint tenants.

Section 2. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of two (2) automobile parking spaces within the perimeter of each Lot.

Section 3. Insurance.

a. Insurance coverage on built-in improvements, including carpet, oven, range, refrigerator, wallpaper, disposal, plumbing fixtures, sinks, bathtubs and other items of personalty shall be included in the calculations for the replacement cost coverage on the building, and protected in the master insurance policy purchased by the board of Directors on behalf of the Association.

b. **Owners Insurance.** Lot Owners shall carry insurance for their benefit and at their expense providing insurance coverage on personal property and public liability. Personal property would be defined as all articles and contents of a personal nature that are not built in or made a physical part of the building structure. The liability of the carriers issuing insurance

obtained by the Association shall not be affected or diminished by reason of any additional insurance carried by any Lot Owner.

- c. **Insurance Procedures (10-4-110.8(5)).**
 1. If an occurrence is made known to an Owner that results in damages or injury to an Owner or an Owner's Unit which may come within the Association's coverage as required in Declaration or under Colorado law, the following procedures should be followed by the Owner.
 - a. The Owner(s) shall first promptly notify his or her personal insurance carrier of the damage.
 - b. In the event the Owner determines it is in the Owner's best interests to submit a claim under the Owner's insurance policies, the Owner shall follow the procedures set out in those insurance policies describing the insured's duties in the event of an occurrence, claim, or suit.
 - c. The Association may require the Owner to provide copies of the claim the Owner may make to his/her own carrier, as well as copies of the adjustment or determination of that carrier as a condition before the Owner makes any claim on any of the Association's policies.
 - d. In the event *the subject matter of the claim may fall within the Association's insurance responsibilities* under the Declaration or Colorado law, the Owner shall promptly notify the Association of the damage by providing written notice to the Board [or Managing Agent] setting forth the following:
 - i. Owner's home address and phone number and Unit address, if different;
 - ii. The time, place and circumstances of the event;
 - iii. Identification of damaged property; and
 - iv. The names and addresses of the injured and witnesses, if applicable.
 - e. The Board shall then make a determination as to whether the occurrence or claim consists of damages for which the Owner *or the Association* is responsible for insuring under the Declaration. *The Association shall so notify the Owner in writing of its determination within 15 days of written notification of the damage to the Association.*
 - f. *If the Board determines, in its sole discretion, that the subject matter of the claim is within the Association's insurance obligations, the Board shall submit a claim to the Association's Insurance carrier on behalf of the Owner in accordance with the requirements of the insurance policy. In that event, an Owner may not submit a claim to the Association's insurance carrier.*

(effective May 26, 2006)

d. **Waiver of Subrogation.** The Association and Lot Owner each hereby waive any and all rights of recovery against the other, their officers, members, agents and employees, occurring on or arising out of the use and occupancy of the premises or the building to the extent such loss or damage is covered or indemnified by proceeds received from insurance carried by the other party, or for which such party is otherwise reimbursed. Each of the parties shall, upon obtaining the insurance required under this Declaration, notify the insurance carrier that the foregoing waiver of subrogation is contained in this covenant, and, to the extent available, shall require the insurance carrier to include an appropriate Waiver of Subrogation Provision in the policy.

e. **Insurance Rates.** Nothing shall be done or kept in Park Ridge which will increase the rate of insurance on any Association Property without the approval of the Board, nor shall anything be done or kept in Park Ridge which would result in the cancellation of insurance on any association Property or which would be in violation of any law.

Section 4. **Exterior Maintenance and Repair.**

No Improvement upon any property within Park Ridge shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. The Association may provide the required maintenance and repair upon approval by the Board of Directors..

In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the board of Directors; the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject.

In order to maintain a uniform appearance and a high standard of maintenance within Park Ridge Townhomes, the Association may maintain the Exterior Maintenance Area, as more fully set forth below

(1) The Association may maintain the fencing and the landscaping of the Lot in front of the residence, including but not limited to lawns, trees and shrubs. The association shall have the right to perform all exterior painting required for the maintenance and upkeep of the improvements constructed on the Lots. The Association shall have the sole discretion to determine the time and manner in which such maintenance shall be performed as well as the color and type of materials to be used. The maintenance provided hereunder may be performed at such time and in such a manner as the Association shall determine.

(2) The Association reserves the right to grant the maintenance responsibility of certain areas on each Lot to the Lot Owner, and the Lot Owner is obligated to accept said maintenance responsibility, provided said assignment is done in a uniform and nondiscriminatory manner. Furthermore, the Association shall have the right to promulgate reasonable rules and regulations regarding the maintenance by the Owner.

(3) The Association or Board of Directors may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions or duties of the Association to maintain the Exterior Maintenance Area. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Board. The Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power or function so delegated by written instrument executed by or on behalf of the Board.

(4) The Owner shall be responsible for maintaining all portions of the Owner's Lot except the Exterior Maintenance Area if the Association exercises its right of maintenance; provided, however, the Owner shall also be responsible for the maintenance of any balcony, patio or deck area of his residence. No Owner shall make any addition or other alteration to any portion of the Exterior Maintenance Area without the express consent of the Association. The Association shall be entitled to reimbursement for cost of repair from any Owner who causes, or whose tenant, employee or guest causes damage to the Exterior Maintenance Area by a deliberate act or negligence.

(5) In the event that a Lot and the improvements thereupon are not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the Lot lies with the Owner of the Lot, or in the event that the improvements on the Lot are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Board of Directors, shall have the right to enter upon the Lot to perform such work as is reasonably required to restore the Lot and the buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Lot, upon demand. All nonreimbursed costs shall be a lien upon the Lot until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with this Declaration.

Section 5. Payment of Utilities. Each Owner shall be responsible for the payment of all utilities, including gas, electricity, telephone, trash removal, water and sewer which are provided to each Owner's Lot. Said utilities shall be flat rate or metered, as appropriate, and bills for each shall be sent to each Lot Owner, or tenant thereof, by the utility companies providing said services, where feasible.

Section 6. Party Walls.

a. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of the Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

b. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or any utilities located in the party wall shall be shared by the Owners who make use of the wall or such utilities in proportion to such use.

c. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful act or omissions.

d. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

e. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

f. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

Section 7. Easements.

a. Reciprocal Easements. The Declarant hereby reserves for itself and the Association, their successors and assigns, a right of way and easement for exterior maintenance and repair of all improvements, and the installation and continued operation, maintenance, repair, alteration, inspection and replacement of utility lines, including but not limited to water lines, sewer lines, gas lines, telephone lines, television cable antenna lines and such other utility lines and incidental equipment thereon, under and across any Common Area and that portion of any Lot situate between any Improvement and the street adjacent thereto. Association shall, except in cases of emergency, furnish to all affected Owners twenty-four (24) hours notice before exercising the rights granted by the Article. Perpetual reciprocal easements for the aforementioned purposes shall exist both for the benefit and burden of all the Owners.

b. Easements for Encroachments. If any portion of an Improvement encroaches upon any Common Area, or upon an adjoining Improvement, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of any Common Area encroaches upon an Improvement, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on any Common Area or the Improvement.

c. Reservation of Easements. Declarant reserves for itself and the purchaser of the existing Park Ridge Townhomes property the use of the easements set forth therein which are intended to and shall be for the benefit of all Owners, and no reference thereto need be made in any deed, instrument of conveyance or any other instrument.

Section 8. Violation of Park Ridge Rules. There shall be no violation of the Park Ridge Rules once adopted by the Board, after Notice and Hearing. If any owner, his family, or any licensee, lessee or invites violated the Park Ridge rules, the Board may suspend the right of such person to use the Association properties, under such conditions as the board may specify, for a period not to exceed thirty (30) days for each violation. Before invoking any suspension, the board shall give such person Notice and Hearing. In the event any Owner of any Lot shall violate

any Park Ridge rule or regulation which shall result in damage to any part of the Common Space or Improvements thereon, the Board of Directors shall have the right after Notice of Hearing to assess the cost of repair of such damages against the Lot of the Owner or Owners responsible for such damage. Such assessment shall be added to and become a part of the Assessment to which such Lot is subject. Notwithstanding anything to the contrary in this Declaration, the Board shall not have the power to bar any Owner from use of the Common Area necessary to allow the Owner free access to and from his Lot, his parking areas, and a public way, whether as a pedestrian or in or upon any appropriate vehicle.

Section 9. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.\

Section 10. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 11. Amendment Of Declaration – Allowable Percentage of Required Affirmative Votes and First Mortgagee Notification

- This section places a cap on how high the percentage of the votes allocated to the association may be required to amend an association's declaration. An association's declaration may provide that it may be amended by the affirmative vote of any percentage that is more than 50% of the votes allocated to the association, but that percentage may NOT exceed 67%. (38-33.3-217(1)(a)).
- Any provisions in existing declarations that require a percentage larger than 67% is void as contrary to public policy. Association declarations with percentages higher than 67% that remain unamended will be deemed to specify a percentage of 67%. (38-33.3-217(1)(a)).
- An association's declaration may specify a smaller percentage than a simple majority ONLY IF all of the units are restricted to nonresidential use. (38-33.3-217(1)(a)).
- If a declaration requires the approval of first mortgages to amend the declaration, the association must 1) send a dated, written notice with a copy of the proposed amendment by certified mail to each mortgagee at its most recent address as shown on the recorded deed of trust or its recorded assignment; and 2) have the dated notice printed with information on how to obtain a copy of the proposed amendment – on separate occasions at least one week apart – in a newspaper of general circulation in the county in which the association is located. (38-33.3-217(1)(b)).
- Once an association meets these notice requirements, a first mortgagee that does not give a negative response to the association within sixty days after the notice date will be considered to have assented. (38-33.3-217(1)(b)).

The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date the 1994 Declaration, after which time they shall be automatically extended for successive periods of ten (10) years. Any amendment must be recorded.

Section 12. Waiver of Homestead. By purchasing or acquiring title to a Lot or any interest therein, every Owner waives all federal and state homestead and other exemptions with respect to any lien for assessments established by the Association.

ARTICLE VIII
GENERAL GOVERNANCE

Section 1. Responsible Governance Policies and Procedures.

- Associations **MUST** keep their accounting records. (38-33.3-209.5(1)(a)).
 - Associations **MUST** adopt policies, procedures, rules and regulations regarding:
 - Collection of unpaid assessments;
 - Handling of board member conflicts of interest;
 - Conduct of meetings with reference to applicable provisions in the Nonprofit Act or other recognized rules and principles if desired;
 - Enforcement of covenants and rules – including notice and hearing procedures and the schedule of fines;
 - Inspection and copying of association records by unit owners
 - Investment of reserve funds; and
 - Adoption and amendment of policies, procedures, and rules.
- Effective January 1, 2006

Section 2. Association Records – Retention & Owner Inspection

- Association **MUST** keep the following as *permanent* records:
 - Minutes of all board and unit owner meetings;
 - All actions taken by the board or unit owners by written ballot instead of holding a meeting;
 - All actions taken by a committee on the behalf of the board instead of the board acting on behalf of the association; and
 - All waivers of the notice requirements for unit owner meetings, board member meetings, or committee meetings. (38-33.3-317(1)(b)).
- In addition to the above that must be kept as permanent records, an association **MUST** keep a copy of the following records at its principal office:
 - Articles of incorporation or if not a corporation, the applicable organizational documents;
 - The declaration;
 - The covenants;
 - Its bylaws;
 - Board resolutions affecting unit owners;
 - Minutes of all unit owner meetings and records of any actions taken by unit owners without a meeting in the past three years;
 - All written communications within the last three years to unit owners generally as unit owners;
 - A list of the names and the business or home addresses of the current board and its officers;
 - Its most recent annual report, if any; and
 - All financial audits or reviews required by section 38-33.3-303(4)(b) conducted in the last three years. (38-33.3-317(5)(a)-(j)).

- An association or its agent **MUST** maintain a record of unit owners that allows the preparation of a list of the names and addresses of all unit owners as well as the number of votes each has. This requirement does not apply to time-share communities. (38-33.3-317(1)(c)(I), (II)).
- The records required by this section must be maintained in writing or in a form that can be easily converted into written form within a reasonable time such as within five days of receiving a request. (38-33.3-317(1)(d)).
- All association records **MUST** be made reasonably available to unit owners for *both* inspection and copying. An association may charge a fee for copying records, but this fee may not exceed the association's actual cost of copying. The section defines "reasonably available" to mean available during normal business hours after five days notice.
- For this section to apply, unit owner requests to inspect documents must be made in good faith, for a proper purpose, and describe with reasonable detail what records are needed and why. Requested documents must also be relevant to the unit owner's stated purpose for the request (38-33.3-317(2) – (4)).
- This section does not affect a unit owner's right to inspect records: 1) under corporation statutes governing the inspection of the shareholder or member list before an annual meeting; or 2) if the unit owner is involved in litigation with the association. This section does not affect the power of the court to compel the production of records once a unit owner has proved a proper purpose (38-33.3-317(6)).
- This section will not invalidate any provision in an association's governing documents that includes more records into its definition of "association records" or gives owners freer access to these records. (38-33.3-317(7)). Effective January 1, 2006
- The Association shall make the requested records available within five business days of the Owner's request or at the next regularly scheduled Owner or Board meeting if the next regularly scheduled Owner or Board meeting is scheduled within thirty days of the Owner's request, in the sole discretion of the Board. The board shall advise the Owner of the time and place of such inspection in writing within five business days of the Owner's request.
- Association Records, including membership lists, shall not be used by any owner for:
 - (i) Any purpose unrelated to an Owner's interest as an Owner;
 - (ii) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the association.
 - (iii) Any commercial purpose;
 - (iv) For the purpose of giving, selling, or distribution such association records to any person; or
 - (v) Any improper purpose as determined in the sole discretion of the Board.
 Effective May 26, 2006

**ARTICLE IX
REQUIRED DISCLOSURES**

GENERAL ASSOCIATION DISCLOSURES (38-33.3-209.4).

Effective date

January 1, 2006

- Within 90 days of 5/26/06, the association must make the following available to the unit owners::
 - The association's name;
 - The name of any designated agent or management company for the association;
 - The physical address and telephone number for the association and any designated agent or management company;
 - The name of the common interest community;
 - The initial date of the recording of the declaration; and
 - The declaration's reception number or book and page where the declaration is located. (38-33.3-209.4 (1)).
- An association **MUST** provide all unit owners with an amended written notice within 90 days if the association's address, designated agent, or management company changes. (38-33.3-209.4(1)).
- An association **MUST** have the following information compiled and ready for disclosure within 90 days after the end of *each* fiscal year:
 - The date the association's fiscal year begins;
 - The association's operating budget for the current fiscal year;
 - A list – organized by unit type – of the association's current regular and special assessments;
 - The association's annual financial statements – including any money held in reserve for the fiscal year immediately preceding the current annual disclosure;
 - The results of any financial audit or review for the fiscal year preceding the current annual disclosure;
 - A list of all association insurance policies, including – but not limited to the following:
 - Property
 - General liability
 - Association director and officer professional liability
 - Fidelity policies;
 - The insurance company names, policy limits, policy deductibles, additional named insureds, and expiration dates of all policies listed;
 - The association's bylaws, articles, and rules and regulations;
 - The board meeting and member meeting minutes for the fiscal year immediately preceding the current annual disclosure; and
 - The association's responsible governance policies adopted under section 38-33.3-209.5. concerning:
 - Collection of unpaid assessments
 - Handling of conflicts of interest involving board members
 - Conduct of meetings
 - Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines
 - Inspection and copying of association records by unit owners
 - Investment of reserve funds; and
 - Procedures for the adoption and amendment of policies, procedures, and rules [38-33.3-209.4(2)(a)-(i)] (required policies discussed in section 2.1)
- On reasonable notice, associations must make this information readily available at no charge to a unit owner at the unit owner's convenience. (38-33.3-209.4 (3)).
- Acceptable means of disclosure include **ONLY** the following:

- Posting the information on an internet web page with notice of the web address sent either by first-class mail or e-mail to all owners;
 - Mailing the information to all owners;
 - Personally delivering the information to all owners; or
 - Maintaining a literature table or binder at the association's principal place of business. (38-33.3-209.4(3))
- Any costs incurred meeting the disclosure requirement must be a common expense liability. However, owners may be charged for copies of documents if disclosure is made through the maintenance of a binder or literature table. (38-33.3-209.4 (3)).

SALE OF UNIT – SELLER'S DISCLOSURE OF BUYER'S RESPONSIBILITIES TO ASSOCIATION AND REQUIREMENT FOR ARCHITECTURAL APPROVAL (38-35.7-102).

Effective date: January 1, 2006

- This section applies to EVERY purchase and sale of residential property in a common interest community. (38-35.7-102(1)).
- When requested by a seller, the Association shall provide the documents the seller is required to disclose to the buyer that are within the Association's control. Therefore, the Association will make the documents listed above available as a "Seller's Disclosure Package." If authorized by the seller, the Association shall provide the Seller's Disclosure Package directly to the buyer upon payment to the association of the usual fee charged by the Association to a seller for the Seller's Disclosure Package.

Disclosure – common interest community – obligation to pay assessments – requirement for architectural approval. 38-35.7-102.

(1) On and after January 1, 2007, every contract for the purchase and sale of residential real property in a common interest community shall contain a Disclosure statement in bold-faced type that is clearly legible and in substantially the following form.

THE PROPERTY IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR SUCH COMMUNITY. THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNER'S ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY

WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.

(2) (a) The obligation to provide the disclosure set forth in subsection (1) of this section shall be upon the seller, and, in the event of the failure by the seller to provide the written disclosure described in subsection (1) of this section, the purchaser shall have a claim for relief against the seller for actual damages directly and proximately caused by such failure plus court costs. It shall be an affirmative defense to any claim for damages brought under this section that the purchaser had actual or constructive knowledge of the facts and information required to be disclosed.

(b) Upon request, the seller shall either provide to the buyer or authorize the unit owners' association to provide to the buyer, upon payment of the association's usual fee pursuant to section 38-33.3-317 (3), all of the common interest community's governing documents and financial documents, as listed in the most recent available version of the contract to buy and sell real estate promulgated by the real estate commission as of the date of the contract.

ARTICLE X

BOARD MEMBER AND OWNER EDUCATION

BOARD MEMBER EDUCATION (38-33.3-209.6).

Effective Date: January 1, 2006

- An association's board of directors may authorize the reimbursement of board members for the actual and necessary expenses incurred in attending educational classes and seminars. (38-33.3-209.6).
- To qualify for reimbursement, the subject matter of the classes and seminars attended must be specific to Colorado and make reference to applicable sections of CCIOA. (38-33.3-209.6).
- Reimbursements shall be treated as a common expense. (38-33.3-209.6).

OWNER EDUCATION (38-33.3-209.7).

Effective Date: January 1, 2006

- At least once a year and at no individual cost to unit owners, associations must provide education to their owners. Any cost associated with providing this education must be accounted for as a common expense. (38-33.3-209.7).
- The content of the provided education must relate to the general operations of the association and the rights and responsibilities of owners, the association, and its board members. (38-33.3-209.7).

- An association's board has the discretion to determine how to comply with this provision (38-33.3-209.7).

ARTICLE XI

MISCELLANEOUS

ATTORNEY FEES (38-33.3-123)

Effective Date: January 1, 2006

- Associations may require unit owners to reimburse the association for collection costs, reasonable attorney fees, and any other costs incurred by its attempts to collect delinquent assessments in addition to any other money or sums due to the association. (38-33.3-123(1)(a)).
- Associations do not have to commence a legal proceeding before having the right to require unit owners to reimburse the association for monies spent in the collection efforts described above. (38-33.3-123(1)(a)).
- When delinquent assessments or certain monies owned to the association are NOT at issue, any party – including the association, a unit owner, or class of unit owners – affected by another party's failure to comply with CCIOA or the association's governing documents may SEEK reimbursement for costs and attorney fees without commencing a legal proceeding. (38-33.3-123(2)).
- Courts must Award costs and reasonable attorney fees to the prevailing party in an action to enforce or defend any provision of CCIOA or an association's governing documents. (38-33.3-123(c)).
- When the court finds in favor of a unit owner in legal actions claiming that the owner violated a provision of CCIOA or the association's governing documents, the court MUST award the unit owner costs and reasonable attorney fees and may NOT award costs or attorney fees to the association. (38-33.3-123(d)(I), (II)).
- In the situation described above, an association is PROHIBITED from allocating ANY of the association's costs or attorney fees to the unit owner's account. (38-33.3-123(d)(I), (II)).
- A unit owner may not be considered to have confessed judgment to attorney fees or collection costs. (38-33.3-123(e)).

ASSOCIATION AGENTS & EMPLOYEES AND MANAGEMENT CONTRACTS

(38-33.3-302).

Effective Date: January 1, 2006

- Any manager, employee, independent contractor or ANY other person acting for the association is subject to CCIOA to the same extent as the association. (38-33.3-302(3)(a)).
- Associations MUST be able to terminate management contracts for cause and without any penalty. Such contracts will also be subject to renegotiation. (38-33.3-302(4)(a)).

ESCROW AGREEMENTS WITH MORTGAGEES (38-33.3-315).

Effective Date: January 1, 2006

- Unless prohibited by an association's governing documents, an association may enter into an agreement with a unit owner's mortgage holder to collect the owner's assessment payments along with the owner's mortgage payments. (38-33.3-315).
- Any escrow agreement reached under this section must comply with any applicable rules of the Federal Housing Administration, Department of Housing and Urban Development, Veterans' Administration, or any other government agency. (38-33.3-315).

ALTERNATIVE DISPUTE RESOLUTION ENCOURAGED (38-33.3-124).

Effective Date: January 1, 2006

- It is the legislative intent to declare that litigation is a costly and time-consuming process that makes it inefficient in the resolution of conflicts within associations. (38-33.3-124(1)).
- Associations are strongly encouraged by the legislature to adopt policies and procedures for the use of alternative dispute resolution methods such as mediation or arbitration as an alternative or precondition to the filing of a complaint between the association and a unit owner. (38-33.3-124(1)).
- An association may specify in its governing documents certain disputes that must be resolved by binding arbitration under the Uniform Arbitration Act, 13-22.2. (38-33.3-124(3)).
- Parties to a dispute may choose to submit their controversy to mediation before beginning a legal proceeding (38-33.3-124(2)(a)).
- If a mediation agreement is reached, it may be presented to the court as a stipulation. Either party to mediation has the right to terminate the mediation process without prejudice. (38-33.3-124(2)(b)).
- If either party violates the stipulation, the other party may apply immediately to the court for relief. (38-33.3-124(2)(c)).

BOARD'S DECISION TO PRESERVE ATTORNEY-CLIENT PRIVILEGE (38-33.3-308(4.5)).

Effective Date: January 1, 2006

- Once the board has resolved any matter for which they sought legal advice or concerned litigation, the board has the discretion to decide whether to disclose such communications at an open meeting or to preserve its attorney-client privilege. (38-33.3-308(4.5)).

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set its hand and seal this 20 day of JAN. 2011.

“DECLARANT”

PARK RIDGE HOMEOWNER'S
ASSOCIATION, INC.

By: Judith A. Shoffner
President

BY: John J. [Signature]
Vice President

BY: Terrence P. Mueller
Secretary

CERTIFICATION

THAT I am the duly elected and acting secretary of Park Ridge Homeowner's Association, Inc., a nonprofit corporation, and

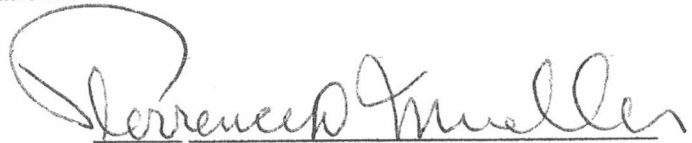
THAT the foregoing Amended and Restated Declaration constitutes the Amended and Restated Declaration, as duly adopted at a meeting of the Board of Directors thereof, held on the 20 day of JAN. 2011.

Terrence P. Mueller
Secretary

CERTIFICATION

THAT I am the duly elected and acting secretary of Park Ridge Homeowner's Association, Inc. a nonprofit corporation, and

THAT at the Annual Meeting of the Park Ridge Homeowners Association held on 1/20/11, the Homeowners agreed and accepted by a majority vote the foregoing Amended and Restated Declaration.


Secretary