

**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS,
RESERVATIONS AND EASEMENTS
FOR
THE ESTATES AT STONE RIDGE SUB-ASSOCIATION**

THIS DECLARATION of The Estates at Stone Ridge Sub-association (this Declaration or Sub-association Declaration) is made effective the 16th day of March, 2020, by Coker Family Partnership, LLLP, a Colorado limited liability limited partnership, as the "Declarant," pursuant to the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as it may be amended from time to time (the "Act").

RECITALS

A. Declarant owns real property in the City of Montrose, Montrose County, Colorado, which has been approved for development and subdivision by the City of Montrose under the name "The Estates at Stone Ridge" (Stone Ridge) and for which a Declaration of Covenants, Conditions, Restrictions, Reservations and Easements was recorded on December 8, 2016, at Reception No. 881329 of the records of the Montrose County Clerk and Recorder, Montrose, Colorado (the Master Declaration), and which is incorporated herein by reference.

B. Declarant is the owner of the following described property, located in the County of Montrose, State of Colorado, more particularly described as:

Lots 93, 94, and 96 through 99 as shown on the Plat of The Estates at Stone Ridge Filing No. 2, recorded on April 17, 2019, at Reception No. 908128 in the office of the Clerk and Recorder of Montrose County, Colorado.

(Annexed Property)

C. The Annexed Property was added to the Estates at Stone Ridge and made subject to the Master Declaration upon the recording of the Plat of The Estates at Stone Ridge Filing No. 2, pursuant to plat note 5.C. thereon.

D. Section 3.6 of the Master Declaration further allows for Declarant to create Sub-associations within the Estates at Stone Ridge with their own common elements and common assessments.

E. Members of a Sub-association are still entitled to all of the rights, and subject to all of the obligations, provided for in the Master Declaration.

F. Declarant, for itself, its successors and assigns, hereby declares that all the Annexed Property herein or hereafter made subject to this Sub-association Declaration and the Master Declaration, in the manner hereinafter provided, and each part thereof shall, from the date the same becomes subject to this Sub-association Declaration and the Master Declaration, be owned, held,

transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Sub-association Declaration and the Masters Declaration for the duration thereof, all of which shall run with the title to such property and be binding upon all parties having any right, title or interest in said property or any part thereof and upon their heirs, personal representatives, successors and assigns and shall inure to the benefit of each party having any such right, title or interest in said property or any part thereof.

NOW THEREFORE, in consideration of the above Recitals, which are material to this Sub-association Declaration, the Declarant states as follows for this Sub-association Declaration:

ARTICLE I.
Definitions

- 1.1 **General.** Each capitalized term or term of special applicability used in this Sub-association Declaration or used in the Supplemental Plat shall have the meaning specified or used in the Act, unless otherwise defined or used in this Sub-association Declaration.
- 1.2 **Act or CCIOA.** The Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, *et seq.*, as it may be amended from time to time.
- 1.3 **Agency.** Any agency or corporation that purchases or issues residential mortgages.
- 1.4 **Articles of Incorporation or Articles.** The Articles of Incorporation for The Estates at Stone Ridge Sub-Association, Inc., a Colorado nonprofit corporation, as may be amended from time to time.
- 1.5 **Annual Assessment.** The Assessment levied pursuant to an annual budget.
- 1.6 **Assessment.** The annual, special and default assessments levied pursuant to Article V of this Sub-association Declaration. Assessments are also referred to as common expense liability under the Act.
- 1.7 **Bylaws.** The bylaws adopted by the Sub-association pursuant to §38-33.3-306, as amended from time to time.
- 1.8 **Clerk and Recorder.** The office of the Clerk and Recorder for the County of Montrose, State of Colorado.
- 1.9 **Common Elements and General Common Elements.** The real property within The Estates at Stone Ridge Sub-association owned by the Sub-association, other than a Lot, which real property is designated in the Plat to be for the enjoyment of all the Owners of the Sub-association.

- 1.10 **Common Expenses.** As used in this Sub-association Declaration, this term includes assessment charges levied by and for the benefit of the Sub-association, pursuant to the Governing Documents, including, but not limited to: (i) annual costs and expenses of the Sub-association; (ii) large single-item expenditures of the Sub-association (including but not limited to, capital expenditures and "Special Assessments"); (iii) amounts necessary to fund reserves pursuant to this Sub-association Declaration; (iv) amounts for lawn care, snow removal, and exterior maintenance.
- 1.11 **Common Expenses Assessment(s); Assessment(s).** In addition. to the definition included in the Act, shall include, but not be limited to, the following items levied against a particular Owner and/or Lot for the purposes of promoting the health, safety, and welfare of The Estates at Stone Ridge Sub-association and to enforce this Sub-association Declaration and to construct improvements: (i) late charges, attorneys' fees, fines, and interest; (ii) charges against a particular Owner and the Lot for the purposes of reimbursing the Sub-association for expenditures and other costs of the Sub-association in curing any violation of the Governing Documents by the Owner (including "default assessments"); and (iii) utility assessments and insurance assessments (assessed in proportion to risk).
- 1.12 **County.** The County of Montrose, State of Colorado.
- 1.13 **Declarant.** Declarant means the Declarant named in this Sub-association Declaration, and any successor and/or assigns designated by Declarant.
- 1.14 **Dwelling Unit.** Dwelling Unit shall mean and refer to any structure situated upon the properties designed and intended for use and occupancy as a residence by a single family.
- 1.15 **Executive Board or Board of Directors.** The governing body of the Sub-association which is designated hereby and in the Articles and Bylaws.
- 1.16 **First Lien Security Interest.** Any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder having priority of record over all other recorded liens except those governmental liens and Common Expense Assessment liens made superior by statute.
- 1.17 **Governing Documents.** Collective reference to those written documents which govern the operation of the Sub-association including: (i) its Articles of Incorporation; (ii) its Bylaws; (iii) its Rules and Regulations; (iv) Design Guidelines; and (vi) this Sub-association Declaration, as one or more of the same may be amended from time to time. Each and every provision of the Governing Documents shall be given the force and effect as if set forth in this Sub-association Declaration, which document shall control in the event of any conflict.

- 1.18 **Improvements.** Without limit, includes structures, fencing, landscaping, signs, vegetation, utilities, roads, driveways and buildings within or upon a Lot, including any substantial change, removal or addition to any structure or attachment.
- 1.19 **Lot(s).** A general term to describe any unit, parcel, tract or other physical portion of property within The Estates and Stone Ridge Sub-association designated for separate ownership or use as shown on the Plat with separate boundaries, including any Improvements erected or to be erected thereon. Lot shall also be deemed to include a separate unit that is part of a duplex or other shared-border structure. As used herein, Lot shall also mean a Unit as that term is defined in the Act. Lot shall also mean any property or units that is added to The Estates at Stone Ridge Sub-association pursuant to Declarant rights or otherwise.
- 1.20 **Master Declaration.** The Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for The Estates at Stone Ridge that was recorded on December 8, 2016, at Reception No. 881329 in the office of the Clerk and Recorder.
- 1.21 **Owner or Lot Owner.** The Declarant, or any other person or entity that owns, acquires, accepts, purchases or otherwise acquires a Lot in within The Estates at Stone Ridge Sub-association. Lot Owner shall be a similar term to Unit Owner as defined in the Act.
- 1.22 **Sub-association.** The Estates at Stone Ridge Sub-association, a Colorado nonprofit corporation, its successors and assigns.
- 1.23 **Sub-association Declaration.** Collective reference to this Sub-association Declaration and all the covenants, conditions, restrictions, limitations, reservations assessments, charges, lines, easements, and other provisions set forth in herein as may be amended or supplemented.P

ARTICLE II.

Property Subject To This Declaration and Additions Thereto

- 2.1 **Existing Property.** The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Subassociation Declaration is located in Montrose County, State of Colorado and is more particularly described in the Recitals.
- 2.2 **Right to Expand.** Declarant reserves the right but not the obligation to expand this Sub-association, without the approval of the Owners or First Mortgagees, to include additional land and one or more additional living units located upon all or any part of the property included within the Plat of The Estates at Stone Ridge, Filing No. 2 (the Plat), attached hereto and incorporated herein by this reference; provided, however, that the total

number of Dwelling Units in the Sub-association, as expanded, shall not exceed twenty-two (22) units. By accepting a deed to a Lot, each Owner hereby grants to Declarant the right to expand the Sub-association and to modify the Owner's rights, title and interest in the Common Area accordingly, as set forth in this Article. Any such expansion shall be subject only to this Article II and shall not make or constitute any amendment or modification in this Subassociation Declaration except as provided in this Article II.

- 2.3 **Manner of Annexation.** Additions to the project may be made by Declarant by the Recordation of one or more Supplemental Subassociation Declaration or other written instruments signed by Declarant. Such Supplemental Subassociation Declaration or other instruments shall contain legal descriptions of the additional real property which shall become part of the project and shall declare that such property shall be subject to this Subassociation Declaration.
- 2.4 **Effect of Supplemental Sub-association Declaration.** Upon the Recording of a Supplemental Sub-association Declaration, the property described therein shall be subject to the restrictions contained in the Masters Declaration and this Sub-association Declaration. The property described in a Supplemental Sub-association Declaration may be made subject to additional and different Restrictions which are set forth in the Supplemental Sub-association declaration provided such Restrictions are no less restrictive than those contained in this Sub-association Declaration or the Master Declaration.

ARTICLE III.

Restriction on Use

- 3.1 **Adoption of Master Declaration Restrictions.** All of the restrictions on use set forth in Article III of the Master Declaration shall be applicable to all of the Lots within The Estates at Stone Ridge Sub-association and subject to the same Development Rights and Special Declarant Rights reserved by the Declarant in the Master Declaration.
- 3.2 **Party Wall Provisions.** Along and over the common boundaries between the certain Dwelling Units lie Party Walls that, in conjunction with the footings underlying and the portion of the roof thereover, form a structural part of, and physically join, the improvements on the adjoining Dwelling Units. The Owners of adjacent Dwelling Units shall each be deemed to own the necessary easements for the perpetual lateral and subjacent support, maintenance, repair, and inspection of the respective Party Wall with equal rights of joint use. The Sub-association shall have the same necessary easements with respect to all Party Walls. No Owner of a Lot shall have the right to destroy, remove, or make any structural changes in a Party Wall that would jeopardize the structural integrity of the adjacent Dwelling Unit sharing such Party Wall without the prior written consent of the Sub-association, the adjacent Lot Owner, and any first mortgagee with respect to such adjacent Property; nor shall any Lot Owner subject a Party Wall allow the insertion or placement of timbers, beams, or other materials in such a way

as to adversely affect the Party Wall's structural integrity. No Lot Owner shall subject a Party Wall to any use that in any manner whatsoever may interfere with the equal use and enjoyment of the Party Wall by an adjoining Lot Owner. Should a Party Wall be structurally damaged or destroyed by the intentional act or negligence of either adjacent Lot Owner, the negligent Lot Owner, or the negligent Lot Owner's agent, contractor, employee, tenant, family member, licensee, guest, or invitee, the Sub-association shall promptly rebuild and/or repair the Party Wall, the cost of which shall be apportioned to the negligent Lot Owner. Should a Party Wall be structurally damaged or destroyed by causes other than the intentional act or negligence of either adjacent Lot Owner, or their agents, contractors, employees, tenants, family members, licensees, guests, or invitees, the damaged or destroyed Party Wall shall be repaired or rebuilt by the Sub-association, the cost of which shall be a Common Expense apportioned among all both adjacent Lot Owners.

To the extent not inconsistent with the terms and conditions of this Sub-association Declaration, the general rules of law of the State of Colorado concerning party walls shall be applicable hereto.

ARTICLE IV.

The Estates at Stone Ridge Sub-Association

- 4.1 **Formation and Purpose.** "The Estates at Stone Ridge Sub-Association" is the name of the owner association formed pursuant to C.R.S. § 38-33.3-301. The Estates at Stone Ridge Sub-Association is a Colorado nonprofit corporation formed by filing Articles of Incorporation with the Colorado Secretary of State. The Sub-association, through its Executive Board, shall perform certain functions and hold and manage certain property within The Estates at Stone Ridge Sub-association for the common benefit of the Sub-association Members. The Sub-association shall provide for the care, operation, management, maintenance, and repair and replacement of the Common Elements.
- 4.2 **Membership.** The exclusive qualifications for membership in the Sub-association is record ownership in fee simple of a Lot within The Estates at Stone Ridge Sub-Association. A Lot Owner shall automatically be the holder of one Membership in the Sub-association as Membership is appurtenant to each Lot. Title to and ownership of a Membership shall pass only with the fee simple title to each Lot. The owner(s) of each Lot shall automatically be entitled to the benefits and be subject to the burdens relating to Membership as set forth in this Sub-association Declaration, the Articles of Incorporation, Bylaws, and any Rules and Regulations promulgated by the Sub-association. In the case of joint ownership of any Lot, the owners thereof shall be entitled to only one membership. Each membership shall be entitled to one vote in the affairs of the Sub-association.
- 4.3 **Membership in Addition to Membership in Association.** Owners of Lots in The Estates at Stone Ridge Sub-Association are also subject to the covenants for assessments contained in the Master Declaration. In the event of

termination of the Sub-association by the Declarant or Declarant's successors, each Owner within the previously existing Sub-association shall remain subject to the Master Declaration and any amendments thereto.

- 4.4 **Powers.** The Sub-association shall have all the powers, authority and duties permitted or set forth in this Sub-association Declaration, the Articles, the Act and the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101, *et seq.*, as amended. In general, the Sub-association may do all acts that may be reasonably necessary or desirable to keep and maintain The Estates at Stone Ridge Sub-Association as a safe, attractive and desirable community.
- 4.5 **Declarant Control.** The Sub-association, as a part of the Master Association, shall be subject to the period of Declarant Control set forth in the Master Declaration.
- 4.6 **Transfer of Control.** Within sixty (60) days after the Lot Owners other than Declarant elect a majority of the members of the Executive Board of the Sub-association, Declarant shall deliver to the Sub-association all Lot Owner and Sub-association property held or controlled by Declarant as specified by the Act, C.R.S. § 38-33.3-303(9).
- 4.7 **Duty to Accept Property and Facilities Transferred by Declarant.** The Sub-association shall accept the title to any Common Area, including any Improvements thereon, and personal property or equipment transferred to the Sub-association by Declarant, together with the responsibility to perform any and all of the functions set forth in this Sub-association Declaration in connection therewith, provided that such property and functions are not inconsistent with the terms of this Sub-association Declaration. Real property interests transferred by Declarant to the Sub-association shall consist of fee simple title to the Common Area, and the easements therefor as contained herein. Except as otherwise specifically approved by resolution of the Board of Directors of the Sub-association, no Properties transferred to the Sub-association by Declarant and no personal property transferred to the Sub-association by Declarant shall impose upon the Sub-association any obligation to make monetary payments to Declarant nor any affiliate of Declarant, including, but not limited to, any purchase price, rent, charge or fee. The interest in property transferred to the Sub-association by Declarant shall not impose any unreasonable or special burden on the Sub-association other than the duties set forth hereinafter.
- 4.8 **Duty to Remove Snow from Driveway and Front Walks.** Upon commencement of Common Assessments, the Sub-association shall remove snow as reasonably necessary from public sidewalks, the driveway and from the walk leading from the front door of a Dwelling Unit to the adjacent street and/or to such driveway located on each developed Lot within the project. This duty shall not extend to any patio/deck areas adjacent to a Dwelling Unit.

- 4.9 **Duty to Manage and Care for Landscaping.** Upon commencement of Common Assessments and following the installation of landscaping or other Improvements by Declarant, the Sub-association shall manage, operate, care for, maintain and repair all landscaping, including, but not limited to, lawns, trees, and shrubbery, or other Improvements (other than any private, walks, driveways, private fences, and patios/decks) installed by Declarant, except that each Lot Owner shall be responsible for watering such landscaping, including payment of the associated water bill. The Sub-association shall maintain the landscaping and other Improvements (other than walks, driveways, private fences, and patios/decks) in a safe, attractive and desirable condition for the use and enjoyment of the Members.
- 4.10 **Duty to Manage and Care for Exterior Surfaces.** Exterior Surfaces shall mean the exterior surfaces of a Dwelling Unit on any Lot within the Sub-association including the exterior surfaces of walls, gutters, downspouts, windows, roof surfaces, and fences, but excluding, any walks and driveways, and the surface of any patio/deck or courtyard located on a Lot whether constructed of wood, concrete or other material. The Sub-association shall maintain, repair and care for all Exterior Surfaces as defined in this Section 4.10. The Owner of a Lot shall, at such Owner's cost and expense, be responsible for maintenance, repair and care of all exterior doors on such Dwelling Unit, all screens on doors and windows of such Dwelling Unit, and the surface of all patios/decks, courtyards, walks and driveways located on the Lot, whether constructed of wood, concrete or other material. The Sub-association shall see that all such Exterior Surfaces are adequately painted, finished and maintained so as to present, at all times, a pleasing and attractive appearance. The nature and type of any painting or refinishing, including the color thereof, shall be within the sole discretion of the Sub-association. Such maintenance, repair and care of Exterior Surfaces shall be done at the expense of the Sub-association except that, if the Sub-association is required to incur costs and expenses of maintenance, repair or care due to the willful or negligent act or failure to act of an Owner or a related user of an Owner, the amounts incurred shall be payable by such Owner to the Sub-association secured by a lien as provided above in this Sub-association Declaration.
- 4.11 **Duty to Pay Taxes and Assessments.** The Sub-association shall be obligated to pay all taxes and assessments levied on any property or facilities transferred to or acquired and owned by the Sub-association. The Sub-association may contest the validity or applicability of any such taxes, assessments or impositions so long as such contest does not jeopardize the title of the Sub-association to any such property or facilities.
- 4.12 **Power to Contract with the Estates at Stone Ridge Owners' Association for Services.** The Sub-association shall have the power to contract, in writing, with The Estates at Stone Ridge Owners Association, Inc., for services. Such contract shall provide for the payment by the Sub-association to the Master Association of the reasonably estimated expenses of the Master Association providing such services to the Sub-association including a fair share of the overhead expenses of the Master Association. Services which may be

provided to the Sub-association may include, without limitation (a) the construction, care, operation, management, maintenance, repair and replacement of the Sub-association Properties; (b) the enforcement of the provisions of this Sub-association Declaration for, on behalf of, and in the name of The Estates at Stone Ridge Sub-Association, Inc.; (c) the collection of Assessments for, in the name of, and on behalf of the Sub-association; (d) the payment of taxes and assessments for the Sub-association with funds of the Sub-association; (e) the obtaining of insurance for the Sub-association; and (f) the appointment and supervision of a Manager or Managers for the Sub-association.

4.13 **Power to Adopt Rules and Regulations.** The Sub-association may adopt, amend, repeal and enforce rules and regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Sub-association Declaration, the operation of the Sub-association, and the use of any property within the Sub-association. Any such rules and regulations shall be reasonable and uniformly applied. Such rules and regulations shall be effective only upon adoption by resolution of the Board of Directors of the Sub-association. Notice of the adoption, amendment or repeal of any rule or regulation shall be given in writing to each Member of the Sub-association at the address for notices to Members as elsewhere provided in this Declaration or the Bylaws of the Sub-association, and copies of the currently effective rules and regulations will be made available to each Member upon request and payment of the reasonable expense of copying the same. Each Member shall comply with such rules and regulations and shall see that all Member's guests and invitees comply with such rules and regulations. Such rules and regulations shall have the same force and effect as if they were set forth in and were part of this Sub-association Declaration. In the event of conflict between the rules and regulations and the provisions of this Sub-association Declaration, the provisions of this Sub-association Declaration shall prevail.

ARTICLE V.
Assessments

5.1 **Apportionment of Common Expenses.** The percentage of liability for Common Expenses allocated to each Lot is based on one share for each Unit compared with the total shares allocated to all the Lots in the Sub-association. Nothing contained in this Section shall prohibit certain Common Expenses from being apportioned to less than all the Lots.

5.2 **Annual Assessment / Purpose.** Each Lot Owner, by accepting a deed to a Lot within The Estates at Stone Ridge Sub-association, shall be deemed to covenant and agree to pay Assessments to the Sub-association. These assessments will be in addition to the assessments due to the Master Association, however, under no conditions, shall a member of both the Master Association and Sub-association be assessed for the same expense or improvement by both the Master Association and the Sub-association. Assessments may be made on an annual basis against all Lots and shall be based upon the Sub-association's advance budget of the cash requirements

needed by it to provide for the administration and performance of its duties during such assessment year. The budget shall be submitted to the Lot owners for consideration pursuant to the Act. Common Expense Assessments shall be due and payable in monthly Assessments beginning on the first day of the month in which conveyance of the first Lot to a Lot Owner other than the Declarant occurs. The omission or failure of the Executive Board to levy the assessment for any period shall not be deemed a waiver, modification or a release of the Lot Owners from their obligation to pay. The initial monthly assessment shall be set at One Hundred Fifty Dollars (\$150.00) and cannot be increased more than 10% in any calendar year without a majority vote of the voting members.

5.3 **Nonpayment of Assessments.** Any Assessment, charge or fee provided for in this Sub-association Declaration, or any monthly or other installment thereof, which is not fully paid within 20 days after the due date thereof, as established by the Executive Board, shall bear interest at the rate of 21% per annum from the due date, and the Sub-association may assess a reasonable late fee as determined by the Executive Board. Failure to make payments within sixty (60) days of the due date thereof shall cause the total amount of such overdue assessments, charges or fees, or monthly or other installments to become immediately due and payable at the option of the Board. The Sub-association may also bring an action at law or in equity, or both, against any Lot Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Sub-association against a Lot Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments, may be commenced and pursued by the Sub-association without foreclosing, or in any way waiving, the Sub-association's lien therefor. Foreclosure or attempted foreclosure by the Sub-association of its lien shall not be deemed to estop or otherwise preclude the Sub-association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Sub-association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the Sub-association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any assessment lien, and a Lot Owner abandons or leaves vacant his or her Lot, the Board may take possession and rent said unit or apply for the appointment of a receiver for the Lot without prior notice to the Lot Owner. The rights of the Sub-association shall be expressly subordinate to the rights of any holder of a First Lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

5.4 **Lien Priority.** The lien of the Sub-association under this Article is a continuing lien, prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Sub-association Declaration; (2) a First Lien Security Interest on the Lot (except as allowed by

the Act with regard to the limited lien priority allowed to the Association and Sub-association); (3) liens for real estate taxes and other governmental assessments or charges against the Lot; and (4) any lien of the Master Association. This Article does not affect the priority of mechanics' or materialmen's liens. Each Lot Owner recognizes and accepts that the lien of the Sub-association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Lot shall not affect the lien for Assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any First Lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by state law. No such sale transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Lot from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

- 5.5 **Owner's Negligence or Misconduct.** If the need for maintenance, repair, or replacement of the Common Elements, or any portion thereof, is caused through or by the negligent or willful act or omission or misconduct of an Owner, Related Users, agents, employees, customers or invitees, then the expenses, costs, and fees incurred by the Sub-association for such maintenance, repair, or replacement shall be a personal obligation of such Owner, and if not repaid to the Sub-association within seven (7) days after the Sub-association shall have given notice to the Owner of such expenses, costs, and fees shall automatically become a default assessment determined and levied against such Lot, and the Sub-association may proceed in accordance with its rules, regulations, and policies regarding collection of assessments.

ARTICLE VI.

Design Review/ Design Review Board

- 6.1 **Design Review Board.** The Design Review Committee appointed for the Master Association shall act as the Design Review Committee for the Sub-association and the provisions of Article V of the Master Declaration shall be applicable to all of the Lots within The Estates at Stone Ridge Sub-association and subject to the same criteria, approvals, and procedures set forth therein.

ARTICLE VII.

Insurance and Condemnation

- 7.1 **Owner Insurance Duties and Obligations.** All Owners shall obtain and maintain (at their own expense) in full force and effect, at all times, all necessary and appropriate insurance coverage for their particular Lot and Improvements (including all easements over and across their Lots) for general liability and hazards.

- 7.2 **Sub-Association Insurance Carried.** The Sub-association shall obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth herein; which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. The Sub-association shall maintain, to the extent reasonably available, with the following terms and provisions:
- a. All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Lot Owner and shall provide that such policies may not be canceled or modified without a least thirty (30) days prior written notice to all of the Lot Owners and the Sub-Association.
 - b. If requested by the holder of a First Lien Security Interest, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to such holder.
 - c. All liability insurance shall be carried in blanket form, naming the Association, the Board, the manager or managing agent, if any, the officers of the Association, the Declarant, their successors and assigns, and Lot Owners as insured.
- 7.3 **Hazard Insurance on the Common Elements.** The Sub-association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to the Common Elements and the other property of the Sub-association. If obtainable, the Sub-association shall also obtain the following and any additional endorsements deemed advisable by the Executive Board (a) an inflation guard endorsement, and/ or (b) any special PUD endorsements.
- 7.4 **Liability Insurance.** The Sub-association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering all of the Lots and the Common Elements, including structural coverage of the Lots, in such limits as the Board may determine from time to time, but not in any amount less than One Million Dollars (\$1,000,000.00) per injury, per person, and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitations, liability for personal injuries, operation of automobiles on behalf of the Sub-association, and activities in connection with the ownership, operation, maintenance and other uses of the Estates at Stone Ridge Sub-Association. All liability insurance shall name the Sub-association as the insured.
- 7.5 **Fidelity Insurance.** The Sub-association may obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the part of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The clause "officer, directors, trustees and employees" shall not include any officer,

director, manager or managing agent heretofore or hereafter employed by the Association. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

- 7.6 **Worker's Compensation and Employer's Liability Insurance.** The Sub-association, to the extent it has any employees, shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.
- 7.7 **Officers' and Directors' Personal Liability Insurance.** The Sub-association may obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Sub-association. Neither the term "officers" nor the term "directors" shall include any officer, director, agent or employee of Declarant nor any officer, director, employee or agent of any professional manager or managing agent heretofore or hereafter employed by the Sub-association.
- 7.8 **Other Insurance.** The Sub-association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance and Infrastructure insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.
- 7.9 **Annual Insurance Review.** The Board shall review the insurance carried by and on behalf of the Sub-association at least annually, for the purpose of determining the amount of insurance required. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent of the full insurable replacement cost.
- 7.10 **Insurance Premium.** Except as assessed in proportion to risk, insurance premiums for the above provided insurance shall be a Common Expense to be included as a part of the assessments levied by the Sub-association.
- 7.11 **Managing Agent Insurance.** The manager or managing agent, if any, shall be insured for the benefit of the Sub-association and shall submit evidence of such coverage to the Sub-association.
- 7.12 **Waiver of Claims Against Sub-Association.** As to all policies of insurance maintained by or for the benefit of the Sub-association and Lot Owners, the Sub-association and the Lot Owners hereby waive and release all claims against one another, the Board and Declarant, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.
- 7.13 **Adjustments by the Sub-Association.** Any loss covered by an insurance policy described above shall be adjusted by the Sub-association, and the insurance proceeds for that loss shall be payable to the Sub-association and

not to any holder of a First Lien Security Interest. The Sub-association shall hold any insurance proceeds in trust for the Sub-association, Lot Owners and holders of the First Lien Security Interest as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Sub-association Lot Owners and holders of the First Lien Security Interest are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

- 7.14 **Duty to Repair.** Any portion of The Estates at Stone Ridge Sub-Association for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Sub-association or Lot Owner, at the Lot Owner's option, whether the repair is done by the Sub-association or the Lot Owner, except as provided in the Act.
- 7.15 **Condemnation and Hazard Insurance Allocations and Distributions.** In the event of a distribution of condemnation proceed or hazard insurance proceeds to the Lot Owners, the distribution shall be as the parties with interests and right are determined or allocated by record and pursuant to the Act.

ARTICLE VIII.

Miscellaneous Provisions

- 8.1 **General Enforcement.** The Declarant, the Sub-association, or Lot Owner(s) may enforce the restrictions, conditions, covenants, and reservations contained by this Sub-association Declaration by proceedings at law or in equity against any person or persons, either to recover damages for the breach, threatened breach or violation thereof and shall recover its reasonable attorneys' fees incurred in enforcing these covenants or to restrain such violation or attempted violation. The Sub-association and the Board shall be empowered to use its best judgment in determining whether or not to take action to enforce these restrictions, conditions, covenants and reservations and in the event it chooses not to take such an action, it shall not be liable to anyone, including any Member, for its failure or refusal to take such an action, nor shall any Member be entitled to injunctive or declaratory relief requiring the Board to take any enforcement action. Failure of the Declarant, the Sub-association or of any Lot Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter. The Executive Board may mail or post on a bulletin board at a conspicuous place within the Common Elements notices of any covenant violations by members and copies of any recorded statements. Failure to post shall not affect the validity of any lien or covenant violation. In the event a Lot Owner or Declarant brings an action to enjoin any violation of this Sub-association Declaration, each Owner shall be deemed to have covenanted and agreed to the entry of a temporary restraining order, preliminary injunction and permanent injunction, without the requirements of a security bond being posted under the provisions of the Colorado Court Rules or applicable statutes.

- 8.2 **Association Enforcement.** In the event of a failure or refusal to comply strictly with any provision of this Sub-association Declaration, and a determination by the Sub-association that it will pursue the enforcement action, the Sub-association shall follow the procedures for enforcement set forth in its policy regarding enforcement of covenants and rules, as may be amended from time to time, adopted as part of its responsible governance policies. Generally, notice shall be mailed by the Sub-association to such violator setting for the nature of the violation, including the provisions of this Sub-association Declaration violated, and shall be signed by at least one member of the Executive Board or an officer of the Sub-association. Such notice shall also state the action required by the Owner to cure the violation, the time required for such action and the nature of the action contemplated by the Sub-association if the violation is not cured by the Owner. Any action taken by the Sub-association to correct such violation shall be at the sole cost and expense of such Owner (including any attorneys' fees incurred in conjunction therewith), and the Sub-association shall charge and assess such Owner for the full cost thereof. The policy regarding enforcement of covenants and rules shall set forth procedures allowing the Owner to request a hearing before the Executive Board on the violation. The Sub-association may avail itself of any and all remedies available to it in law or equity including, but not limited to, injunctive action and appropriate restraining orders.
- 8.3 **Severability.** Each of the provisions of this Sub-association Declaration shall be deemed independent and severable. If any provision of this Sub-association Declaration or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Sub-association Declaration which can be given effect without the invalid provisions or applications.
- 8.4 **Amendment of Declaration, Map or Plat by Declarant.** If Declarant shall determine that any amendments shall be necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement or for any changes to or addition of real property not yet part of or adjacent to The Estates at Stone Ridge Subassociation, then, subject to the following sentence of this Article, Declarant shall have the right and power to make and execute any such amendments without obtaining the approval of any Lot Owner or the Sub-association. Each such amendment of this Sub-association Declaration shall be made, if at all, by Declarant prior to the expiration of twenty (20) years from the date this Sub-association Declaration is recorded, and a copy of such amendment shall be mailed first class, postage prepaid to all Lot Owners. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to an amendment under this Article on behalf of each Lot Owner and holder of a Security Interest. Each deed, Security Interest, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the

power of Declarant to make, execute and record an amendment under this Article.


- 8.5 **Amendment of Declaration by Lot Owners.** Except as otherwise provided in this Sub-association Declaration, and subject to provisions elsewhere contained in this Sub-association Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Sub-association Declaration may be amended or repealed at any time and from time to time upon approval of at least sixty-seven (67%) of the votes of the Sub-association Members entitled to vote and with the written consent of the Sub-association. The amendment shall be recorded in the office of the Clerk and Recorder of Montrose County, Colorado, setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Sub-association.
- 8.6 **Required Consent of Declarant to Amendment.** Notwithstanding any other provision in this Sub-association Declaration to the contrary, any proposed amendment to or repeal of any provision of this Sub-association Declaration reserving development rights to or for the benefit of the Declarant, or its successors and assignees, shall not be effective unless Declarant, and its assignees, if any, have given written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant or its assignees of any certificate of amendment or repeal. The foregoing consent requirement shall be an express condition precedent to any such amendment or repeal.
- 8.7 **Interpretation.** This Sub-association Declaration shall be liberally construed to effectuate the purposes of (i) creating a uniform plan for the future development of The Estates at Stone Ridge Sub-Association, (ii) the development and maximum economic use of Declarant's adjoining properties, (iii) the development and use of other near and adjoining properties with the consent and cooperation of Declarant, and (iv) promoting and effectuating the fundamental concepts set forth in this Sub-association Declaration. This Sub-association Declaration shall not be deemed to create third party beneficiaries or allow or permit any person or entity to use the infrastructure and improvements installed and developed by Declarant without the prior written consent of and compensation to Declarant. All regulations, rules and laws of the City of Montrose shall apply to The Estates at Stone Ridge Sub-Association (including the Residential Zone District for all residential lots), as modified by the Preliminary Plat Approval, P.U.D. Agreement and the final plats and each Owner and the Sub-association shall comply with the same. The laws of the State of Colorado shall govern and construe this Sub-association Declaration.
- 8.8 **Binding Document.** Except as otherwise provided herein, this Sub-association Declaration shall be a binding real covenant upon and shall inure to the benefit of Declarant, the Sub-association, and each Owner and their respective tenants, heirs, personal representatives, agents, successors and

assigns. Each Owner within The Estates at Stone Ridge Sub-Association, by virtue of acceptance of any right, title or interest in any real property within Woodbridge Place, shall be deemed to have accepted, ratified, adopted this Sub-association Declaration, and declared it as a personal covenant of such Owner and the Sub-association. This Sub-association Declaration, and all its provisions, as amended, shall run with and bind the title to the land submitted hereby in perpetuity.

8.9 **IMPORTANT NOTICE.** Any person who desires to buy a Lot in The Estates at Stone Ridge Sub-Association should obtain the advice of a lawyer before doing so because this written Sub-association Declaration imposes important obligations, disclosures and limitations regarding the ownership of a Lot. This notice is intended to equalize the commercial setting of the negotiations.

IN WITNESS WHEREOF, Declarant executed this Sub-association Declaration as of the date subscribed above.


COKER FAMILY PARTNERSHIP, LLLP,
a Colorado limited liability limited partnership


David W. Coker, General Partner

STATE OF COLORADO)
)ss.
COUNTY OF MONTROSE)

The foregoing instrument was duly acknowledged before me this 3rd day of March, 2020, by David W. Coker, as General Partner of Coker Family Partnership, LLLP, a Colorado limited liability partnership.

Witness my hand and official seal.


Notary Public

