



MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATION OF EASEMENTS FOR GUNNISON RISING

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**MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
AND RESERVATION OF EASEMENTS
FOR
GUNNISON RISING**

THIS Master Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements (hereinafter termed the “Master Declaration”) is made this ____ day of _____, 2009, by **GUNNISON VALLEY PARTNERS, LLC**, a Colorado limited liability company (hereinafter sometimes termed “Declarant”), with the consent of the Consenting Owners.

WITNESSETH:

WHEREAS, the Declarant and the Consenting Owners are the owners of approximately six hundred forty (640) acres of land located in the City of Gunnison, Gunnison County, Colorado, commonly known as “Gunnison Rising” and legally described on Exhibit “A” attached hereto and incorporated herein by this reference (hereinafter referred to as the “Covered Property” or “Gunnison Rising”); and

WHEREAS, the Covered Property consists of more than 200 acres on which no less than 500 residential units and no less than 20,000 square feet of commercial use have been approved for development. Therefore, the Covered Property qualifies as a “Large Planned Community” pursuant to C.R.S. 38-33.3 – 116.3, et. seq., and Declarant has or will record a separate Affidavit as required under C.R.S. 38-33.3-116.3(2); and

WHEREAS, as a large planned community under the Act, Declarant is exercising certain exemptions from the provisions of the Act as authorized therein; and

WHEREAS, the Covered Property is zoned PUD pursuant to the approval thereof by the City on _____, 2009 (referred to herein, with amendments approved from time to time, as the “Gunnison Rising PUD”); and

WHEREAS, Declarant and/or one or more of the Consenting Owners own additional real property located generally to the east of the Covered Property and Declarant and the Consenting Owners may, without obligation, annex all or a portion of that certain additional property described on attached Exhibit “B” (hereinafter referred to as the “Additional Property”) to the Covered Property, to become a part thereof and subject to this Master Declaration; and

WHEREAS, Declarant desires to develop, in stages, the Covered Property and those portions of the Additional Property which may from time to time be annexed pursuant to this Master Declaration and become part of the Covered Property, into a planned community consisting of residential, office, commercial, light industrial, business and research park, mixed use, state and local government, recreational resort, equestrian, and other communities and uses; and

WHEREAS, as part of the various stages of development of the aforesaid lands, Declarant intends, without obligation, to Record various subdivision plats; to dedicate portions of the Covered Property to the public for streets, roadways, drainage, flood control, storm water management, schools, parks, open space, trails, and general public use, and to Record various Supplemental Declarations covering portions of the Covered Property, which Supplemental Declarations may designate the purposes for which such portions of the Covered Property may be used and may set forth additional covenants, conditions, restrictions, assessments, charges, servitudes, liens, reservations and easements applicable to such portions of the Covered Property; and

WHEREAS, Declarant has formed a non-profit corporation for the social, recreational and community management purposes of benefiting the Covered Property, the Owners and the Residents (as said terms are defined herein below), which non-profit corporation (hereinafter termed the “Master Association”) may (1) establish, levy, collect and disburse the Assessments and other charges imposed hereunder; and (2) as the agent and representative of the Members of the Master Association and Residents of the Covered Property, administer and enforce all provisions hereof and enforce use and other restrictions imposed on various parts of the Covered Property; and

WHEREAS, Declarant has incorporated and organized the Master Association and may, without obligation, seek approval of this Master Declaration and the Master Association by the Federal Housing Administration (hereinafter termed “FHA”), the Veterans Administration (hereinafter termed “VA”), the Federal National Mortgage Association (hereinafter termed “Fannie Mae”), the Federal Home Loan Mortgage Corporation (hereinafter termed “Freddie Mac”) and by any other governmental agencies or financial institutions whose approval Declarant deems necessary or desirable; and

WHEREAS, the Declarant wishes to subject all of the Covered Property to the covenants, conditions, restrictions, and reservations of easements (hereinafter collectively called the “Master Declaration”) hereinafter set forth; and

WHEREAS, in order to cause the Master Declaration to run with the Covered Property and to be binding upon the Covered Property and the Owners thereof from and after the date of the Recording of this Master Declaration, Declarant hereby makes all conveyances of the Covered Property, whether or not so provided therein, subject to the Master Declaration herein set forth; and by accepting Deeds, leases, easements or other grants or conveyances to any portion of the Covered Property, the Owners and other transferees for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by all of the Master Declaration (including but not limited to the obligation to pay Assessments) hereinafter set forth except to the extent such persons are specifically excepted here from.

NOW, THEREFORE, Declarant hereby declares, covenants, and agrees as follows:

ARTICLE I - DEFINITIONS

The following words, phrases, or terms used in this Master Declaration shall have the following meanings:

- A. “Act” shall mean the Colorado Common Interest Ownership Act codified at Colorado Revised Statutes (“C.R.S.”) §§38-33.3-101, *et seq.*, as amended.
- B. “Additional Property” shall mean real property situated in the County of Gunnison, State of Colorado described on attached Exhibit “B”, and the Improvements located thereon. All or part of the Additional Property may be added to the Covered Property in one or more additional phases by Supplemental Declaration or otherwise pursuant to the provisions of Article XIII hereof.
- C. “Annual Assessment” shall mean the charge levied and assessed each year against each Unit, Lot, and Parcel pursuant to Article VII, Section 7.2 hereof.
- D. “Apartment Development” shall mean a Parcel which is limited by a Supplemental Declaration or designated for residential use, and contains Rental Apartments and surrounding area which are intended, as

shown by the Final Plat therefore approved by the City of Gunnison, or otherwise, as one integrated apartment operation under the same ownership.

E. “Articles” shall mean the Articles of Incorporation of the Master Association as the same may from time to time be amended or supplemented.

F. “Assessable Property” shall mean any Tract, Unit, Lot, or Parcel, except such part or parts thereof may from time to time constitute Exempt Property. When a Unit is constructed on a Tract, Lot, or Parcel, the Assessable Property shall be the Unit and the portion of the Tract, Lot, or Parcel on which the Unit is constructed shall not be treated as an additional Assessable Property.

G. “Assessment” shall mean an Annual Assessment, Special Assessment, Working Capital Fee, Design Review Fee, and/or Transfer Fee.

H. “Assessment Lien” shall mean the lien created and imposed by Article VIII, Section 8.3 hereof.

I. “Assessment Period” shall mean the time period set forth in Article VII.

J. “Association Land” shall mean such part or parts of the Covered Property, together with the buildings, structures and Improvements thereon, and other real property which the Sub-Associations may at any time own in fee or in which the Sub-Associations may, at any time have a leasehold or other interest, for as long as the Sub-Association is the Owner of the fee, leasehold or other interest.

K. “Association Rules” shall mean rules adopted by the Master Association pursuant to this Master Declaration, as amended from time to time.

L. “Board” shall mean the Board of Directors of the Master Association.

M. “Builder” shall mean any Person who purchases one or more Lots for the purpose of constructing improvements for later sale to consumers or who purchases one or more parcels of land within Gunnison Rising for further subdivision, development, or resale in the ordinary course of such Person’s business.

N. “Bylaws” shall mean the Bylaws of the Master Association as the same may from time to time be amended or supplemented.

O. “City” shall mean the City of Gunnison, Colorado.

P. “Commercial Association” shall mean the Gunnison Rising Commercial Association as set forth in the Commercial Declaration. Each Owner who is a Member of the Commercial Association shall also hold Membership in the Master Association.

Q. “Commercial Declaration” shall mean the Commercial Declaration of Covenants, Conditions, Restrictions, and Reservations of Easements for Gunnison Rising, as amended or supplemented from time to

time, to be recorded in the records of the County, relating to a portion of the Covered Property, wherein commercial and mixed-use development may be allowed. Declarant shall cause the Commercial Declaration to be recorded after recording of this Master Declaration, but prior to any sale or use of any portion of the Property for Commercial Development.

R. “Commercial Development” shall mean a Parcel used for various allowable uses such as mixed-use, commercial/retail, lodging, recreational vehicle park, office, food and entertainment, civic, governmental, light industrial, business and research park, and other miscellaneous non-residential uses as permitted under the Gunnison Rising PUD.

S. “Common Area” shall mean the common areas defined in the Residential Declaration and the Commercial Declaration.

T. “Community-Wide Standard” shall mean the global standard of conduct, maintenance, or other activity generally prevailing in Gunnison Rising, or the minimum standards established pursuant to Gunnison Rising PUD, Gunnison Rising Design Guidelines, Association Rules, and Board resolutions, whichever is the higher standard. Declarant may initially establish such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within the community change.

U. “County” shall mean the County of Gunnison, State of Colorado.

V. “Covered Property” shall mean the real property situated in the City of Gunnison, Gunnison County, Colorado described on Exhibit “A” attached hereto, and the Improvements to be completed thereon, and any part of the Additional Property annexed to this Master Declaration pursuant to Article XIII hereof.

W. “Declarant” shall mean GUNNISON VALLEY PARTNERS, LLC, a Colorado limited liability company, and the successors and assigns of Declarant’s rights and powers hereunder.

X. “Declarant Control Period” shall mean the period of time during which Declarant is entitled to appoint a majority of the members of the Board. The Declarant shall have the right to appoint and remove members of the Board until the first to occur of the following:

- (1) Six (6) years after the last conveyance of a Lot or a Parcel within the Gunnison Rising Property by Declarant in the ordinary course of business;
- (2) Twenty (20) years after Recording of this Master Declaration; or
- (3) When, in its discretion, Declarant so determines.

Notwithstanding the foregoing, if Declarant voluntarily relinquishes its right to appoint and remove officers and directors of the Master Association prior to the termination of the Declarant Control Period, Declarant reserves the right to approve or disapprove specified actions of the Master Association as provided in

the Bylaws or as designated by Declarant in a Recorded instrument relinquishing Declarant's rights to appoint and remove officers and directors of the Master Association.

Within sixty (60) days after termination of the Declarant Control Period, Declarant shall deliver to the Master Association all property and other items required by §38-33.3-303 of the Act.

Y. "Deed" shall mean a deed or other instrument conveying the fee simple title in a "Unit", "Lot" or "Parcel".

Z. "Delegate" shall mean the natural Person selected by Members within a Delegate District to represent such Delegate District and to cast votes on behalf of Members within such Delegate District as provided in this Master Declaration.

AA. "Delegate District" shall mean a geographical area which may constitute any portion or portions of the Covered Property and from which all Members in that geographic area shall elect a single Delegate to represent their collective voting power. Parts of Delegate Districts need not be contiguous.

BB. "Design Review Committee" shall mean the committee of the Master Association to be created and appointed pursuant to Article XI hereof.

CC. "Design Review Fee" shall mean the fees authorized by Article XI, Section 11.4 of this Master Declaration which an Owner or other person is obligated to pay the Master Association over, above and in addition to any other Assessments imposed or payable hereunder.

DD. "Developer" means a person or entity who is engaged in residential, commercial or other real estate development and who purchases one or more Lots or Parcels from the Declarant for the purpose of constructing Improvements thereon for sale, lease, timeshare, fractional ownership or other method of use.

EE. "Development" shall mean and refer to the real property described on Exhibit "A" and any part of the Additional Property added pursuant to Article XIII hereof.

FF. "Development Period" shall mean the period of time during which Declarant is entitled to exercise Development Rights and Special Declarant Rights. The Development Period shall commence upon the Recording of this Master Declaration and shall terminate 50 years later, unless reinstated or extended by agreement between Declarant and the Master Association, subject to such terms as the Board may impose.

GG. "Development Rights" shall mean the rights defined as "development rights" in the Act and reserved by Declarant in Article XIV.

HH. "Dwelling Unit" shall mean any building or portion of a building situated upon a Lot or Parcel designed and intended for use and occupancy as a residence by a Single Family and includes single family homes, row houses or town homes, condominiums, apartments, and duplex units. An accessory dwelling unit and a recreational vehicle guest site shall not be considered to be a "Dwelling Unit."

II. "Exempt Property" shall mean the following parts of the Covered Property:

- thereof;
- (1) All Association Land, for as long as the Association is the Owner, Lessee or licensee
 - (3) Any well sites as generally depicted or referenced in the Gunnison Rising PUD; and
 - (4) Any utilities facilities, including sub-stations.

JJ. “Governing Documents” shall mean a collective term referring to this Master Declaration, any applicable Supplemental Declaration, the Bylaws, the Articles, the Gunnison Rising Design Guidelines, and the Association Rules, each as they may be amended.

KK. “Gunnison Rising” shall mean the real property situated in the City of Gunnison, Gunnison County, Colorado, described on Exhibit “A” attached hereto, and any part of the Additional Property added pursuant to Article XIII of this Master Declaration.

LL. “Gunnison Rising Design Guidelines” shall mean the architectural and landscape guidelines and standards, together with any supplemental guidelines as promulgated by the Design Review Committee as provided in Article XI hereof.

MM. “Gunnison Rising PUD” shall mean the Gunnison Rising PUD approved by the City of Gunnison. The Gunnison Rising PUD constitutes the zoning for Gunnison Rising.

NN. “Improvement” shall mean buildings, structures, roads, driveways, irrigation and drainage ditches and facilities, stormwater detention basins and facilities, parking areas, trails, walkways, playground equipment, ball fields, sports facilities, fences, walls, rocks, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every type and kind.

OO. “Land Use Classification” shall mean the zoning categories established by the Gunnison Rising PUD and which may be further defined or limited by the Declarant pursuant to Article IV below, which designates the type of Improvements which may be constructed on a Lot, Parcel or Association Land and the purposes for which such Improvements and surrounding land may be utilized.

PP. “Lessee” shall mean the Lessee under a lease, whether oral or written and regardless of the term thereof, whereby the owner of a residential development leases such residential development to a Lessee, including an assignee of a lease but excluding any person who has assigned all of his interest in a lease.

QQ. “Live/Work Development” and “Live/Work Unit” shall mean Lots or Parcels with Units intended for both Single Family Occupancy and other uses that would typically fall within the definition set forth herein of a “Commercial Development.” Live/Work Units may be condominiums.

RR. “Lot” shall mean any area of real property within the Covered Property designated as a Lot on any Recorded residential subdivision plat and defined as a Lot in the Gunnison Rising PUD.

SS. "Master Association" shall mean the Gunnison Rising Master Association, a non-profit corporation to be organized by Declarant to administer and enforce the Master Declaration and to exercise the rights, powers and duties set forth in this Master Declaration, its successors and assigns.

TT. "Master Declaration" shall mean this Master Declaration of Covenants, Conditions, Restrictions, and Reservations of Easements for Gunnison Rising, as amended or supplemented from time to time.

UU. "Maximum Number of Units" shall mean the maximum number of Dwelling Units which Declarant reserves the right to create and develop within Gunnison Rising in accordance with the Gunnison Rising PUD; provided, nothing in this Master Declaration shall require Declarant to develop the maximum number of Dwelling Units. The Maximum Number of Units under this Master Declaration is defined by the areas where different Land Use Classifications are allowed and the development standards related to each, as set forth in the PUD.

VV. "Member" shall mean any person or entity holding a Membership in the Master Association pursuant to this Master Declaration.

WW. "Membership" shall mean a Membership in the Master Association and the corresponding rights, privileges and responsibilities of the Owners and Declarant pursuant to Article VI hereof.

XX. "Mortgage" shall mean a mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. "Mortgagee" shall refer to a beneficiary or holder of a Mortgage. A "First Mortgage" shall be a Recorded Mortgage having first priority over all other Mortgages encumbering a Lot or Unit. "First Mortgagee" shall refer to a beneficiary or holder of a First Mortgage.

YY. "Owner" means the record Owner, whether one or more persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Tract, Unit, Lot, or Parcel. Owner shall not include (i) persons having an interest in a Tract, Unit, Lot, or Parcel merely as security for the performance of an obligation, or (ii) a Lessee or Tenant. In the case of Units, Lots or Parcels the fee simple title to which is vested in a trustee pursuant to a subdivision trust agreement or similar agreement, the beneficiary of any such trust who is entitled to possession of the trust property shall be deemed to be the Owner.

ZZ. "Parcel" shall mean an area of land within the Covered Property defined as a Parcel or Tract in the Gunnison Rising PUD or in a Plat.

AAA. "Person" shall mean a natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

BBB. "Plat" shall mean a final subdivision plat of a part of the Covered Property that has been approved by the City Council of the City.

CCC. “Record”, or “Recording” shall mean placing an instrument of public record in the office of the Clerk and Recorder of Gunnison County, Colorado, and “Recorded” shall mean having been so placed of public record.

DDD. “Rental Apartments” shall mean four (4) or more Dwelling Units within a building using single ownership, each of which is designed and utilized, otherwise than as a hotel or on some other transient basis, for rental or leased residential purposes to non-owners on a non-cooperative basis. This term is intended to include rented or leased apartments in the typically regarded sense as of the date hereof, and it is not intended to include unusual or atypical arrangements or any arrangements whereby the apartment occupant is, directly or indirectly, an owner or beneficiary of ownership in his apartment or whereby he occupies his apartment pursuant to some form of reciprocal use agreement, irrespective of whether any such arrangements may otherwise fall within the aforesaid definition.

EEE. “Resident” shall mean each natural person residing in a Dwelling Unit.

FFF. “Residential Association” shall mean the Gunnison Rising Residential Association as set forth in the Residential Declaration. Each Owner who is a Member of the Residential Association shall also hold Membership in the Master Association.

GGG. “Residential Declaration” shall mean the Residential Declaration of Covenants, Conditions, Restrictions, and Reservations of Easements for Gunnison Rising, as amended or supplemented from time to time, to be recorded in the records of the County, relating to a portion of the Covered Property, wherein residential development may be allowed. Declarant shall cause the Residential Declaration to be recorded after recording of this Master Declaration, but prior to any sale or use of any portion of the Property for Residential Development.

HHH. “Residential Development” shall mean Lots with Dwelling Units intended for Single Family occupancy, including, but not limited to, those residential lot types defined in the Gunnison Rising PUD, and types of residential housing arrangements known as row houses, townhomes, duplexes, cottages, patio homes, condominiums, apartments, and Parcels with Live/Work Units, together with related areas intended for the use and enjoyment of the Owners and Residents of the Lots or Parcels in the Residential Development.

III. “Single Family” shall mean a group of one or more persons living together as a single housekeeping unit, provided that, unless all members are related to the others by blood, marriage, or legal adoption, no such group shall contain more than four (4) persons who maintain a common household in a Dwelling Unit.

JJJ. “Special Assessment” shall mean any assessment levied and assessed pursuant to Article VII, Section 7.4 hereof

KKK. “Special Declarant Rights” shall mean the rights of Declarant defined as “special declarant rights” in the Act and set forth in Article XIV.

LLL. “Special District” shall mean a special district organized as a quasi-municipal corporation and political subdivision organized and acting pursuant to the provisions of Title 32, Colorado Revised Statutes, as amended.

MMM. "Sub-Associations" shall mean the Commercial Association, the Residential Association and any other associations that may be created pursuant to a Supplemental Declaration.

NNN. "Supplemental Declaration" shall mean a declaration Recorded pursuant to Section 4.1 of this Master Declaration or a written instrument Recorded pursuant to Article XIII of this Master Declaration. The term "Supplemental Declaration" includes the Residential Declaration and the Commercial Declaration.

OOO. "Tenant" shall mean any person who occupies property located on Covered Property under any type of rental or letting arrangement but is not included in the definition of a Lessee.

PPP. "Tract" shall mean a parcel of land that is not included within any subdivision plat or condominium map, but is subject to this Master Declaration.

QQQ. "Transfer Fee" shall have the meaning set forth in Section 7.10 hereof and shall be deemed to be a transfer fee authorized by Section 38-33.3-207(4)(a)(iv) of the Act.

RRR. "Units" shall mean any building or portion of a building situated on the Covered Property, including, but not limited to, Single Family homes, row houses or townhouses, condominium units, apartment units, duplexes and other Dwelling Units intended for the use and occupancy of a Single Family, Live/Work Units, and buildings in which a specific Commercial Development occurs. Each condominium unit or duplex unit shall be considered a separate Unit. An accessory dwelling unit shall not be a separate Unit hereunder.

SSS. "Working Capital Fee" shall have the meaning set forth in Article VII, Section 7.10 hereof.

ARTICLE II - PROPERTY SUBJECT TO THE MASTER DECLARATION

Section 2.1 **General Declaration.** Declarant intends to develop and sell Tracts, Lots and Parcels. As portions of Tracts are developed, Declarant may, with respect to particular property, record one (1) or more Supplemental Declarations covering Lots and Parcels and designating Common Areas which will incorporate this Master Declaration and which will establish such additional covenants, conditions, and restrictions as may be appropriate or desirable for that property. Declarant hereby declares that all of the real property within the Covered Property is, and shall be, held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to this Master Declaration and any Recorded Supplemental Declarations applicable thereto, as amended or modified from time to time. This Master Declaration and the Supplemental Declarations are declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of Gunnison Rising and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of Gunnison Rising and every part thereof. All of this Master Declaration shall run with the Covered Property and with all Lots, Parcels, and Association Land for all purposes and shall be binding upon and inure to the benefit of Declarant, the Master Association, all Owners, Lessees, Tenants and Residents and their successors in interest. Nothing in this Master Declaration shall be construed to prevent the Declarant from modifying the Gunnison Rising PUD as to any portion of Gunnison Rising owned by the Declarant or from dedicating or conveying portions of Gunnison Rising owned by the Declarant, including streets or roadways, for uses other than as a Lot, Parcel or Association Land. Supplemental Declarations may be amended by approval of the Board and Owners of all Lots, Units, and Parcels subject to the Supplemental Declaration comprising at least sixty percent (60%) of the votes entitled to

be cast by the applicable Membership. As long as the Declarant owns any Tract, Unit, Lot, or Parcel, Declarant approval is also required for any amendment to a Supplemental Declaration.

Section 2.2 **Association Bound**. Upon issuance of a Certificate of Incorporation by the applicable agency of the State of Colorado to the Master Association, the Covenants shall be binding upon and shall benefit the Master Association.

Section 2.3 **Supplemental Declarations**. Any Supplemental Declaration may contain such complementary additions and modifications of the covenants, conditions, and restrictions contained in this Master Declaration as may be necessary to reflect the different character, if any, of the Additional Property so annexed and as are not inconsistent with the plan of this Master Declaration. In no event, however, shall any such Supplemental Declaration revoke or modify the covenants established by this Master Declaration within the existing Covered Property without the consent of the Board of the Master Association.

ARTICLE III – INTENTIONALLY OMITTED

ARTICLE IV - LAND USE CLASSIFICATIONS

Section 4.1 **Land Use Classifications**. The Land Use Classifications for Gunnison Rising are established pursuant to the Gunnison Rising PUD. The specific uses permitted within each Land Use Classification are described and defined in the Gunnison Rising PUD. As portions of Gunnison Rising are readied for development, the Land Use Classifications, restrictions, easements, rights-of-way, and other matters, including new or different uses and restrictions therefore and including any number of sub-classifications or combination of classification thereof for any uses, may be further defined and fixed by Declarant in a Supplemental Declaration which may be Recorded for that portion of Gunnison Rising. Any such Supplemental Declaration shall be construed as a supplement to this Master Declaration and fully a part hereof for all purposes to the same extent as if all of the provisions thereof were set forth in this Master Declaration. Land Use Classifications set forth below that are not defined in this Master Declaration are defined in the Gunnison Rising PUD. The Land Use Classifications for Units, Lots, Parcels, Tracts, and Association Land that may be further defined by a Supplemental Declaration shall be consistent with the Gunnison Rising PUD and shall not be changed except by amendment of the Supplemental Declaration in the manner set forth in Article XV, Section 2. of this Master Declaration. Contemplated Land Use Classifications include, but are not limited to, the following Land Use Classifications as set forth in the Gunnison Rising PUD:

Symbol	Zone District Names
Residential Zone Districts	
RL	Large Lot Residential
R1-9600	Low Residential
R1-4800	Medium Residential
R2-2400	Traditional Neighborhood
RMU-1200	Missing Middle Residential
R3-6250	Multi-Family Residential
Nonresidential Zone Districts	
CM	Main Street District
M	Maker District
EC	Event and Conference District
RR	Recreational Resort District
O	Open Space

Unless otherwise specifically provided in this Master Declaration or the Gunnison Rising PUD, the definitions and characteristics of such Land Use Classifications, and specific permitted and prohibited uses in such classifications, may be further described and modified in Supplemental Declarations. Agricultural uses may continue in all undeveloped portions of the Property.

ARTICLE V - ORGANIZATION OF MASTER ASSOCIATION, SUB-ASSOCIATIONS

Section 5.1 **Formation of Master Association**. The Master Association shall be a nonprofit Colorado corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Master Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration.

Section 5.2 **Board of Directors and Officers**. The affairs of the Master Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws as the same may be amended from time to time. The Board may also appoint various committees and appoint a manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Master Association. The Board shall determine the compensation to be paid to the manager or any other employee of the Master Association. Unless this Master Declaration specifically requires a vote of the Members, approvals or actions to be given or taken by the Master Association shall be valid if given or taken by the Board.

If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a member of the Board or a parent or spouse of any of those persons, that member of the Board shall declare a conflict of interest for that issue. The member shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion, but shall not vote on that issue.

Section 5.3 **The Association Rules**. The Board may, from time to time, and subject to the provisions of this Master Declaration, adapt, amend and repeal rules and regulations pertaining to: (i) minimum standards for any maintenance of Unit, Lots, and Parcels; or (ii) the health, safety, or welfare of the Owners and Residents. In the event of any conflict or inconsistency between the provisions of this Master Declaration and the Association Rules, the provisions of this Master Declaration shall prevail. The Association Rules shall be enforceable in the same manner and to the same extent as the covenants, conditions and restrictions set forth in this Master Declaration.

Section 5.4 **Personal Liability**. No member of the Board or of any committee of the Master Association, no officer of the Master Association, and no other employee or representative of the Master Association shall be personally liable to any Member, or to any other person, including the Master Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Master Association, the Board, any representative or employee of the Master Association, or any committee, committee member or officer of the Master Association; provided, however, the limitations set forth in this Section 5.4 shall not apply to any person who has failed to act in good faith or has engaged in willful or intentional misconduct.

Section 5.5 **Sub-Associations**. The covenants, conditions and restrictions, the articles of incorporation and bylaws or other governing documents for the Sub-Associations shall not be effective unless the contents thereof have been approved by the Board and the governing documents specify that such Sub-Association and the rights of its members are subject and subordinate to the provisions of this Master Declaration, the provisions of the Articles and Bylaws of the Association, the provisions of the Association Rules, and the Gunnison Rising Design Guidelines. Each and every Tract, Unit, Lot, or Parcel of the Covered Property may also be included within the Residential Sub-Association, Commercial Sub-Association or another sub-association created pursuant to a Supplemental Declaration prior to or after any development or construction of Improvements commencing on any such Tract, Unit, Lot, or Parcel.

Section 5.6 **Delegation of Duties by Sub-Associations.** In Section 5.6 of the Residential Declaration and Section 5.6 of the Commercial Declaration, the Residential Association and the Commercial Association have delegated certain of their duties and obligations under the Residential Declaration and the Commercial Declaration to the Master Association. The Master Association shall perform the matters set forth in Section 5.6 of the Residential Declaration and Section 5.6 of the Commercial Declaration on behalf of the Residential Association and Commercial Association, at the cost and expense of the Residential Association and Commercial Association respectively, for the Covered Property as requested by the Residential Association and Commercial Association respectively, unless and until such delegation is revoked by the Residential Association and/or the Commercial Association.

Section 5.7 **Powers of the Master Association Relating to Sub-Associations.** The Master Association shall have the power to veto any action taken or contemplated to be taken by any Sub-Association, which the Board reasonably determines to be adverse to the interests of the Master Association or its Members or inconsistent with the Community-Wide Standard.

The Master Association also shall have the power to require that specific action be taken by any Sub-Association in connection with its obligations and responsibilities. The Sub-Associations shall take appropriate action required by the Master Association in a written notice within the reasonable time frame set by the Master Association in the notice. If any Sub-Association fails to comply, the Master Association shall have the right to effect such action on behalf of the Sub-Association and levy Assessments to cover the costs, as well as an administrative charge and sanctions against the applicable Sub-Association. Further, the Master Association shall have the right to bring an action against any Sub-Association that fails to comply with the requirements of Section 5.6, to cover the costs, as well as administrative charges and sanctions against each Sub-Association.

ARTICLE VI - MEMBERSHIPS AND VOTING

Section 6.1 **Owners of Units, Lots, and Parcels.** Every Owner (including the Declarant) of a Tract, Unit, Lot, or Parcel, which is Assessable Property, shall be a Member of the Master Association. Each such Owner shall have the following number of Memberships:

(a) **Property Not Subject to a Supplemental Declaration** - For each Tract which is not subject to either the Commercial Declaration, the Residential Declaration, or a subsequently recorded Supplemental Declaration, one Membership for each fifty (50) acres or portion thereof owned by the Member. For the purposes hereof, an acre of land shall consist of 43,560 gross square feet;

(b) **Property Subject to a Supplemental Declaration**

(i) For each non-residential Unit, Lot, or Parcel subject to the Commercial Declaration, one Membership for each One Thousand (1,000) square feet of building space as set forth on the Gunnison Rising PUD;

(ii) For each Unit or Lot subject to the Residential Declaration and each Dwelling Unit subject to the Commercial Declaration, one Membership for each Unit (excluding Rental Apartments) or Lot owned by the Member, and one Membership for each Rental Apartment permitted on the Gunnison Rising PUD owned by a Member; and

(iii) For each Unit, Lot, Parcel, or Tract subject to a Supplemental Declaration other than the Commercial Declaration or the Residential Declaration, the number of Memberships shall be set forth in such Supplemental Declaration.

(c) **Determination of Memberships** In determining the number of Memberships under this Section, the square feet of building space for each Tract, Unit, Lot, or Parcel shall be rounded to the next nearest 1,000 square feet. By way of example, 1,499 square feet or less of building space shall be entitled to one Membership and 1,500 square feet of building space or more shall be entitled to two Memberships.

Section 6.2 **Voting**. The Master Association shall have two classes of voting Memberships:

(a) **Class A**. Class A Members shall be every Owner of a Unit, Lot or Parcel, which is Assessable Property and which is subject to a Supplemental Declaration. Each such Owner shall be entitled to one vote for each Membership held by such Owner.

(b) **Class B**. The Class B Member shall be every Owner of a Tract which is Assessable Property and which is not subject to a Supplemental Declaration. Each such Owner shall be entitled to five (5) votes for each acre of land or portion thereof within a Tract owned by such Owner. For the purposes hereof, an acre of land shall consist of 43,560 gross square feet.

The Declarant reserves the right to create any number of Delegate Districts within the Covered Property and to provide that Members will vote for a Delegate who in turn will exercise such Members' voting rights in connection with all votes provided for in this Master Declaration or in connection with the Association. Delegate Districts may be created through an Amendment to this Master Declaration and/or a Supplemental Declaration.

Section 6.3 **Right to Vote**. No change in the ownership of a Membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each such Membership must be cast as a unit, and fractional votes shall not be allowed. In the event that a Membership is owned by more than one person or entity and such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Membership, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Membership unless objection thereto is made at the time the vote is cast. In the event more than one vote is cast for a particular Membership, none of said votes shall be counted and all said votes shall be deemed void.

Section 6.4 **Membership Rights**. Each Member shall have the rights, duties and obligations set forth in this Master Declaration and such other rights, duties and obligations as are set forth in the Articles and Bylaws, Association Rules and Gunnison Rising Design Guidelines as the same may be amended from time to time.

Section 6.5 **Transfer of Membership**. The rights and obligations of the Owner of a Membership in the Master Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an Owner's Tract, Unit, Lot, or Parcel, as applicable, and then only to the transferee of ownership to the Tract, Unit, Lot, or Parcel. A transfer of ownership to a Tract, Unit, Lot, or Parcel may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage or deed of trust of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Colorado. Any attempt to make a prohibited transfer shall be void. Any transfer of

ownership to a Tract, Unit, Lot, or Parcel shall operate to transfer the Membership(s) appurtenant to said Tract, Unit, Lot, or Parcel to the new Owner thereof.

Section 6.6 **Suspension of Voting Rights**. Any Member who fails to pay an Assessment provided herein within sixty (60) days of the due date thereof, shall have all voting rights as provided herein suspended until such amounts plus any accrued interest, attorney's fees and/or collection costs are paid in full.

Section 6.7 **Delegate Districts**. The Covered Property may be divided into Delegate Districts by Declarant and each Delegate District shall elect one (1) Delegate to the Association to exercise the voting power of all Members within such Delegate District. Delegate Districts may be established in a Notice of Establishment of Delegate District, a Supplemental Declaration, or a Notice of Annexation annexing property to this Master Declaration, each of which shall describe the portion of the Covered Property to be included in each Delegate District created thereby. The Board shall have the authority to reconfigure Delegate Districts after expiration of the Declarant Control Period. If and when Delegate Districts are established, the Members within each Delegate District shall have the right to elect one (1) Delegate at a duly-convened meeting of such Members called for such purpose, at which the Members in attendance in person or by proxy are equal to at least twenty percent (20%) of the total voting power of the Members in the Delegate District, with each Delegate to be elected by the majority vote of the Members in attendance in person or by proxy. Each Delegate shall hold such position for one year or until their successor is duly elected. A Delegate must be a Member or a duly-appointed agent of a Member owning a Tract, Parcel, Unit or Lot within the Delegate District from which the Delegate is elected.

ARTICLE VII - COVENANT FOR ASSESSMENTS

Section 7.1 **Personal Obligation of Assessments**. The Declarant, and every Owner of each Tract, Unit, Lot, and Parcel established within the Covered Property, hereby covenants and agrees, and each Owner by acceptance of a Deed therefore (whether or not it shall be so expressed in such Deed) is deemed to covenant and agree, to pay to the Master Association the following assessments and charges: (1) Annual Assessments established by this Article VII, (2) Special Assessments for extraordinary expenses or costs established by this Article VII, (3) Transfer Fee established pursuant to Section 7.10; (4) Working Capital Fee; and (5) Design Review Fees; all such Assessments to be established and collected and secured by the Assessment Fee as hereinafter provided. The Annual and Special Assessments against each Tract, Unit, Lot, or Parcel shall be based on the number of Memberships appurtenant to the Tract, Unit, Lot, or Parcel (including, without limitation, Memberships attributable to Units or Rental Apartments located on such Lot or Parcel). Each such Annual and Special Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Tract, Unit, Lot, or Parcel at the time when the Assessment fell due. The Working Capital Fee, Transfer Fee, and Design Review Fee shall be the personal obligation of the Owner responsible thereto. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them. However, such exemption does not apply to the obligation of the successor in title of the Owner to correct any violation of the Master Declaration, the Association Rules, or the Gunnison Rising Design Guidelines by the Owner pursuant to Article XI; however, the transfer of title shall not extinguish any Assessment Lien except a transfer pursuant to foreclosure of a superior lien in which the Assessment Lien has been extinguished by such foreclosure proceeding.

Section 7.2 **Annual Assessments**. In order to provide for the uses and purposes specified in Article IX hereof, the Board in each year, commencing with the year in which the first Supplemental Declaration is Recorded, shall assess against each Tract, Unit, Lot, and Parcel, which is Assessable Property, an Annual Assessment. The amount of the Annual Assessment shall be in the sole discretion of the Board but shall be

determined with the objective of fulfilling the Master Association's obligations under this Master Declaration and providing for the uses and purposes specified in Article IX.

Section 7.3 **Determination of Assessment**. The amount of any Annual or Special Assessment to be levied against each Tract, Unit, Lot and Parcel shall be determined as follows:

(a) Each Tract, Unit, Lot, and Parcel shall be assessed an Annual Assessment or Special Assessment, as the case may be, in an amount equal to the number of Memberships attributable to such Tract, Unit, Lot, or Parcel pursuant to Section 6.1 of this Master Declaration.

(b) Annual Assessments may be collected on a monthly, quarterly or annual basis, and Special Assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Members of the Association approving the Special Assessment.

Section 7.4 **Special Assessments for Extraordinary Expenses**. In addition to the Annual Assessments authorized above, the Master Association may levy, in any Assessment Period, a Special Assessment applicable to that period only for the purpose of defraying, in whole or in part, extraordinary expenses, provided that any such assessment shall have the assent of sixty percent (60%) of the votes of any meeting of the Members who are voting in person or by proxy at such meeting duly called for such purpose. The provisions of this Section are not intended to preclude or limit the assessment, collection or use of Annual Assessments for the aforesaid purposes.

Section 7.5 **Establishment of Annual Assessment Period**. The period for which the Annual Assessment is to be levied (the "Assessment Period") shall be the calendar year, except that the first Assessment Period shall commence upon the issuance of the first certificate of occupancy for a Unit and terminate on December 31 of such year. The Board in its sole discretion from time to time may change the Assessment Period by giving notice thereof to the Members of the Master Association.

Section 7.6 **Rules Regarding Billing and Collection Procedures**. The Board shall have the right to adopt rules and regulations setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of the Annual and Special Assessment, Working Capital Fee, Transfer Fees, and Design Review Fees provided that said procedures are not inconsistent with the provisions hereof. The failure of the Master Association to send a bill to a Member shall not relieve any Member of his liability for any Assessment or charge under this Master Declaration, but the Assessment Lien therefore shall not be foreclosed or otherwise enforced until the Member has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement, at the address of the Member on the records of the Master Association, that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment. The Master Association shall be under no duty to refund any payments received by it even though the ownership of a Membership changes during an Assessment Period; successor Owners of Tracts, Units, Lots, or Parcels shall be given credit for prepayments, on a prorated basis, made by prior Owners. The Master Association shall be entitled to retain any surplus funds of the Master Association remaining at the end of each fiscal year. The amount of the Annual Assessment against Members who became such during an Assessment Period upon the Recording of a Supplemental Declaration shall be prorated and such new Members shall be liable for a proportionate share of any previously levied Special Assessment if such Assessments are paid in installments. Members must notify Master Association in writing of a change of mailing address when applicable.

Section 7.7 **Collection Costs and Interest on Delinquent Assessments**. Any Assessment or installment thereof not paid when due shall be deemed delinquent and shall bear interest from thirty (30) days

after the due date until paid at a rate equal to the greater of (a) twelve percent (12%) per annum or (b) the then prevailing interest rate on loans insured by the Federal Housing Association, plus five percent (5%) or (c) the then prevailing interest rate on loans guaranteed by the Veterans Administration plus five percent (5%), and the Member shall be liable for all taxable and incidental costs, including attorney's fees, which may be incurred by the Master Association in collecting the same. The applicable interest rate on such delinquent amounts shall be determined on a daily basis. Late fees and interest rates may be established by the Board to be adjusted from time to time. The Board may also record a Notice of Delinquent Assessment against any Tract, Unit, Lot, or Parcel as to which any such amount is delinquent and constitutes a lien and may establish a fixed fee to reimburse the Master Association for the Master Association's cost in Recording such Notice, processing the delinquency and Recording a notice of payment, which fixed fee shall be treated as a collection cost of the Master Association secured by the Assessment Lien.

Section 7.8 **Evidence of Payment of Assessments**. Upon receipt of a written request by a Member or any other person, the Master Association, within a reasonable period of time (not to exceed fourteen (14) days) thereafter shall issue to such Member or other person a written certificate stating (a) that all Assessments (including interest, costs and attorney's fees, if any, as provided in Section 7.7 above) have been paid with respect to any specified Tract, Unit, Lot, or Parcel as of the date of such certificate, or (b) if all Assessments have not been paid, the amount of such Assessments (including interest, costs and attorney's fees, if any) due and payable as of such date. The Master Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or lender on, the Tract, Unit, Lot, or Parcel in question.

Section 7.9 **Property Exempted from the Assessment and Assessment Lien**. Exempt Property shall be exempted from the assessment of the Annual and Special Assessments, Working Capital Fee, Transfer Fee, and Affordable/Attainable Housing Fee and from the Assessment Lien; provided, however, that in the event any change of ownership of Exempt Property results in all or any part thereof becoming Assessable Property in any year, the same thereupon shall be subject to the Assessment and, if theretofore exempt therefrom, the Assessment Lien.

Section 7.10 **Working Capital Fund and Transfer Fee**. To ensure that the Master Association shall have adequate funds to meet its expenses, each person or entity who purchases a Unit, Lot or Parcel other than the Declarant or a Developer shall pay to the Master Association immediately upon becoming the Owner of the Unit, Lot or Parcel a sum equal to the current Annual Assessment for the Unit, Lot or Parcel. Funds paid to the Master Association pursuant to this Section may be used by the Master Association for payment of operating expenses or any other purpose permitted under this Master Declaration. Payments made pursuant to this Section shall be nonrefundable and shall not be offset or credited against or considered as an advance payment of any Assessments levied by the Master Association pursuant to this Master Declaration. The foregoing fees shall be called the "Working Capital Fee." Each person or entity who purchases a Tract, Unit, Lot, or Parcel other than the Declarant or a Developer also shall pay to the Master Association immediately upon becoming the Owner of the Tract, Unit, Lot, or Parcel a transfer fee ("Transfer Fee") in such amount as is established from time to time by the Board. A Transfer Fee shall not to exceed 3% of the purchase price of the Tract, Unit, Lot or Parcel.

Section 7.11 **Sub-Association Assessments**. In addition to the Assessments and other charges payable hereunder, each Owner shall pay to the Master Association the Sub-Association Assessments as set forth in the Residential Declaration and/or the Commercial Declaration until such time as such Sub-Association revokes its delegation of authority to the Master Association. The Master Association is hereby authorized to collect and enforce payment of such Sub-Association Assessments in accordance with the provisions of the Residential Declaration and/or the Commercial Declaration, as applicable.

Section 7.12 **Special Use Fee for Telecommunication, Broadband, DSL Services.** The Master Association may enter into an agreement with one or more telecommunication companies for the purpose of providing any such services or any related services, to the Covered Property or any portion thereof as determined by the Board. The cost of the services shall be a Special Use Fee subject to the provisions of Section 4. herein. In the case of Lots with a land use classification of Residential Lot Types or Mixed-Use Lot Types that are transferred in title from a Developer to an individual Owner when the Unit is complete, the Special Use Fee shall commence at close of escrow. Terms of the services to Lots and Parcels with land use classification other than Residential Lot Types or Mixed-Use Lot Types shall be determined at the discretion of the Board. The Board shall set the Special Use Fee each year and shall give notice to the Master Association Members in the same manner as for the Annual Assessment. In the event that there are insufficient funds in the Special Use Fee account to cover the costs associated with providing the service for any reason, the Master Association shall advance the necessary funds to cover such costs and will be reimbursed by the Owners receiving such services within a reasonable period of time as determined by the Board.

Section 7.13 **Association Budgets.** Within ninety (90) days after adoption of any proposed budget, the Board shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of Owners to consider the budget within a reasonable time after mailing or other delivery of the summary, pursuant to notice and within the time periods set forth in the By-Laws. Unless, at that meeting, at least seventy-five percent (75%) of the voting power of all Owners veto the budget, the budget is deemed approved by the Owners, whether or not a quorum is present. In the event the proposed budget is vetoed, the periodic budget last ratified by the Owners must be continued until a subsequent budget proposed by the Board of Directors is not vetoed by at least seventy-five percent (75%) of the Owners.

ARTICLE VIII - ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND CREATION AND ENFORCEMENT OF ASSESSMENT LIEN

Section 8.1 **Master Association as Enforcing Body.** The Declarant and the Master Association, as the agent and representative of the Members, shall each have the right to enforce the provisions of this Master Declaration.

Section 8.2 **Master Association's Remedies to Enforce Payment of Assessments.** If any Member fails to pay any Assessments or installments when due, the Master Association may enforce the payment of the Assessments by taking either or both of the following actions, concurrently or separately (and, by exercising either of the remedies hereinafter set forth, the Master Association does not prejudice or waive its rights to exercise the other remedy);

(a) Bring an action at law and recover judgment against the Member personally obligated to pay the Assessments;

(b) Foreclose the Assessment Lien against the Tract, Unit, Lot, or Parcel in accordance with the then prevailing Colorado law relating to the foreclosure of realty mortgages (including the right to recover any deficiency) and the Tract, Unit, Lot, or Parcel may be redeemed after foreclosure sale as provided by law. The Master Association shall have the right to bid at any foreclosure sale.

Section 8.3 **Creation of Assessment Lien and Subordination of Assessment Lien; Priority of Lien.** In accordance with §38-33.3-316 of the Act, and subject to the limitations of any other applicable provisions of the Act or Colorado law, the Master Association shall have a statutory lien against each Tract, Unit, Lot, and Parcel to secure payment of delinquent assessments, as well as interest, late charges (subject to

the limitations of Colorado law), and costs of collection (including attorneys' fees). Such lien shall be perfected upon the Recordation of this Master Declaration.

Such lien shall be superior to all other liens, except: (a) the liens of all real estate taxes, and other governmental assessments (as provided in the Act); (b) the lien or charge of any Recorded First Mortgage made in good faith and for value prior to the date that assessments being enforced against the Tract, Unit, Lot, or Parcel became delinquent; provided, the Master Association's assessment lien shall have priority over such security interests to the extent of the assessments based on the annual budget adopted by the Master Association pursuant to Section 7 which would have become due during the six months immediately preceding institution of an action to enforce the lien for assessments; (c) liens and encumbrances Recorded prior to this Master Declaration; and (d) labor or material men's liens, to the extent required by law.

Such lien, when delinquent, may be enforced in the same manner as provided for the foreclosure of Mortgages under the laws of the State of Colorado. All such costs and expenses of any such foreclosure, including reasonable attorneys' fees, shall be secured by the lien being foreclosed.

The Master Association may bid for the Tract, Unit, Lot, or Parcel, as applicable, at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Tract, Unit, Lot, or Parcel. While a Tract, Unit, Lot, or Parcel is owned by the Master Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Tract, Unit, Lot, or Parcel shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Tract, Unit, Lot, or Parcel had it not been acquired by the Master Association. The Master Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Tract, Unit, Lot, or Parcel shall not affect the assessment lien or relieve such Tract, Unit, Lot, or Parcel from the lien for any subsequent assessments. However, the sale or transfer of any Tract, Unit, Lot, or Parcel pursuant to foreclosure of the First Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure, except as otherwise provided in this Section. The subsequent Owner of the foreclosed Tract, Unit, Lot, or Parcel shall not be personally liable for assessments on such Tract, Unit, Lot, or Parcel due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Assessments collectible from Owners of all Tracts, Units, Lots, or Parcels subject to assessment under Section 7, including such acquirer, its successors and assigns.

Section 8.4 **Costs to be Borne by Member in Connection with Enforcement of Payment of Assessments**. In any action taken pursuant to Section 8.2 of this Article, the Member shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Assessments together with interest and the Master Association's incidental and taxable costs including collection costs and attorney's fees, including those costs and fees specified in Article VII, Section 7.7. The Assessment Lien shall also secure payment of any other sums which may become payable to the Master Association by an Owner pursuant to this Master Declaration.

Section 8.5 **Provision of Services**. The Master Association may provide, or provide for, services and facilities for the Members, their guests, lessees, and invitees, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include security, caretaker, transportation, fire protection, utilities, including access to fiber optics and other telecommunication networks and facilities, and similar services and facilities. In the event Declarant enters into any contracts for such services during the Declarant Control Period, such contracts are subject to termination in accordance with Section 305 of the Act. Nothing

herein shall be construed as a representation by Declarant or the Master Association as to what, if any, services shall be provided. In addition, the Board, in its discretion, shall be permitted to modify or cancel existing services provided unless otherwise required by the Governing Documents. No Owner shall be exempt from the obligation to pay for such services, if provided to all Owners, based upon non-use or any other reason.

ARTICLE IX - USE OF FUNDS

Section 9.1 **Purposes For Which Master Association's Funds May Be Used**. The Master Association shall apply any funds and other property collected and received by it (including the Assessments, fees, surplus funds, and all funds and property received by it from any other source) for the common good and benefit of Gunnison Rising and the Members and Residents by devoting said funds and property for the general common interests of Gunnison Rising, the Members and the Residents, subject to the limitations herein. The following are some, but not all, of the areas in which the Master Association may seek to aid, promote and provide for such common benefit: liability insurance, communications, safety and indemnification of officers and directors of the Master Association, hiring of consultants to review plans and specifications, hiring of personnel to assist and coordinate plan and specification reviews, adoption and modification of the Community- Wide Standard and elements thereof, such as the Gunnison Rising Design Guidelines, inspectors, enforcement costs, administrative fees and costs, and fees for banking, accountants, lawyers, architects, and engineers. The Master Association also may expend its funds for any purposes for which any municipality may expend its funds under the laws of the State of Colorado or such municipality's charter.

Section 9.2 **Master Association's Rights in Spending Funds From Year to Year**. The Master Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Annual or Special Assessments, fees or otherwise), and may carry forward as surplus any balances remaining. The Master Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year and the Master Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Master Association and the accomplishment of its purposes.

Section 9.3 **Master Association Records**. The Master Association shall maintain and provide accounting records in accordance with the following:

(a) The Master Association shall keep its accounting records, using generally accepted accounting principles (GAAP) if required by the Act and shall maintain records of meeting minutes, Board actions, committee actions, notices of meetings, and a record of all voting Owners and their addresses. The Master Association shall keep at its principal office and make available to Owners, First Mortgagees, and insurers or guarantors of any First Mortgage, current copies of the Master Declaration, the Articles of Incorporation, Bylaws, Association Rules, books, records, and financial statements of the Master Association, resolutions adopted by the Board or any committee of the Board, minutes of all Owners' meetings and actions for at least three (3) years, written communications to Owners for at least three (3) years, a list of the names and addresses of current Directors and officers of the Master Association, the most recent annual report, and all audits and financial reviews for at least three (3) years. The Master Association shall make available to prospective purchasers of Lots, Units, Rental Apartments, Single-Family Dwelling Units, Other Units, and any other residential development within the Covered Property, current copies of the Master Declaration, the Articles of Incorporation, Bylaws, Association Rules, and the most recent audited or reviewed annual financial statement of the Master Association, if available. "Available" shall mean available for inspection, upon request that is made in good faith and for a proper purpose and for records that are relevant to such proper purpose, during normal weekday business hours or under other reasonable circumstances. The Master Association may charge a fee for inspection and copying of the Master Association books and records, not to exceed the Master Association's actual costs.

(b) The Master Association shall perform a review of its financial records, using “Statements on Standards for Accounting and Review Services,” or an audit of its financial records using generally accepted auditing standards if required by the Act, by an independent and qualified person selected by the Board of Directors of the Master Association when required under the following provisions. An audit shall be required only if the Master Association has annual revenues or expenditures of at least \$250,000 and the audit is requested by the Owners of at least one-third (1/3) of the Units and Parcels. A review shall be required only when requested by the Owners of at least one-third (1/3) of the Units and Parcels. Copies of an audit or review shall be made available upon request to any Owner, beginning no later than thirty (30) days after its completion. The Master Association shall also provide an audited financial statement for the immediately preceding fiscal year to any First Mortgagee or any insurer or guarantor of such First Mortgage, within a reasonable time after written request therefore is made by any such First Mortgagee, or insurer, or guarantor of any First Mortgage; provided that if the Master Association has not previously received an audit for such fiscal year, the Master Association may require the requesting First Mortgagee, or insurer, or guarantor of a First Mortgage to pay the expense of the audit to the Master Association in advance.

Section 9.4 **Administration of Special Use Fees.** The Master Association is authorized to bill for, sue or, collect, administer and disburse all Special Use Fees and the payment thereof shall be secured by the Assessment Lien; provided, however, that all Special Use Fees collected shall, if imposed in connection with a particular improvement, be separately accounted for as to each separate improvement pertaining to which they are collected and shall be expended on the particular improvement to which they pertain.

ARTICLE X - INTENTIONALLY OMITTED

ARTICLE XI - DESIGN REVIEW COMMITTEE

Section 11.1 **Establishment.** The Declarant hereby establishes a Design Review Committee to perform the functions of the Design Review Committee set forth in this Master Declaration and hereby adopts the procedural rules and regulations for the performance of such duties by the Design Review Committee, including but, not limited to, the regulations established in the Gunnison Rising PUD and the design principles, guidelines, and standards defined in the Gunnison Rising Design Guidelines, including procedures for the preparation, submission and determination of the application for any approvals required by this Master Declaration or any Supplemental Declaration so long as such rules and regulations comply with Section 11.2 below. The Board must approve the initial Gunnison Rising Design Guidelines, standards, and procedures for the preparation, submission and determination of the application for approvals. The Gunnison Rising Design Guidelines may be amended or supplemented by the Design Review Committee at any time, in whole or in part, at its discretion. Amendments shall be initiated through the Design Review Committee.

The Design Review Committee shall hold regular meetings, a quorum for which shall consist of a majority of the regular members which shall be necessary for any decision of the Design Review Committee. An alternate member, approved by the Declarant, may participate at any meeting at which there is not a quorum of regular members present, may constitute a quorum by his (their) presence and shall have all of the authority of a regular member while so participating.

The Design Review Committee may delegate review authority to a sub-committee on which at least one member of the Design Review Committee shall sit. Such delegation shall be in writing and shall specify the matters which such sub-committee may review. If an applicant believes that a member of a sub-committee has a conflict of interest with respect to the applicant or the application, the applicant may notify the Design Review Committee of such alleged conflict of interest, including a description of the basis therefor, and the Design Review Committee shall replace such member if it concludes that a conflict of interest with the application or

the applicant exists. Any decision of such sub-committee shall be deemed to be the decision of the Design Review Committee, unless the Design Review Committee member who sits on such sub-committee refers a decision to the Design Review Committee, in which event the Design Review Committee shall review the matter and make the final decision. An applicant may appeal a decision of a sub-committee to the Design Review Committee, provided such appeal is filed with the Design Review Committee within ten (10) days after the decision of the sub-committee. If an applicant appeals a sub-committee decision to the Design Review Committee, the sixty (60) day time period required under Section 11.2 below for the Design Review Committee to make a decision shall be suspended.

The Gunnison Rising Design Guidelines shall interpret and implement this Master Declaration by setting forth the procedures for Design Review Committee review and the standards for development within Gunnison Rising, including, but not limited to, architectural design, placement and size of buildings, landscaping, massing or form, color schemes, exterior finishes and materials, signage, exterior lighting, wall design, parking, lot and/or neighborhood level block design and similar matters. The Gunnison Rising Design Guidelines may also include provisions requiring the establishment of landscaping on Lots and Parcels pursuant to specific timetables. Subject to the provisions of Section 11.3 of this Article, the decision of the Design Review Committee shall be final on all matters submitted to it pursuant to this Master Declaration. An Applicant has the right to appeal a Design Review Committee decision pursuant to procedures in Section 11.3.

Section 11.2 **Architectural Control**. Any person or entity, including the City and other governmental and quasi-governmental entities or agencies, proposing to engage in building or development activity within Gunnison Rising (including but not limited to residential, civic or commercial building, landscaping, signage, parks, trails, recreational vehicle park facilities, open space improvements, visible utility construction, drainage, detention and storm water facilities and streetscapes) shall be required to submit an application to conduct such activity to the Design Review Committee in accordance with submittal requirements. The Design Review Committee shall have the authority to require the submittal of site plans, landscape plans, architectural design plans, exterior material specifications, color palettes and any other information deemed reasonably necessary for proper review. No excavation, grading, landscaping, construction or any other improvement or work shall be performed on any Lot or Parcel without the prior written approval of the Design Review Committee. No addition, alteration, repair, change or other work which in any way alters the exterior appearance, including but without limitation, the exterior color scheme, of any part of a Tract, Unit, Lot, or Parcel, or any Improvements located thereon, shall be made or done without the prior written approval of the Design Review Committee.

Any Owner desiring approval of the Design Review Committee for the construction, installation, addition, alteration, repair, change, or replacement of any Improvement shall follow the Design Approval Process for Gunnison Rising including: (1) Pre-Application/Design Meeting; (2) Preliminary Design Review Submittal; (3) Final Design Review Submittal; and (4) Construction Document Package. Each step involves the application of specific criteria as defined in the Gunnison Rising Design Guidelines to the application. Any Owner requesting the approval of the Design Review Committee shall also submit to the Design Review Committee any additional information, plans and specifications which the Design Review Committee may request. The Design Review Committee shall approve or disapprove an application for approval within sixty (60) days after its receipt of a properly submitted application together with supporting plans, specifications and other information as may be requested by the Committee. The approval by the Design Review Committee of any construction, installation, addition, alteration, repair, change, or other work pursuant to this Section shall not be deemed a waiver of the Design Review Committee's right to withhold approval of any similar construction, installation, addition, alteration, repair, change, or other work subsequently submitted for approval. Upon receipt of approval from the Design Review Committee in the form of a Letter Certificate of Design Compliance for any construction, installation, addition, alteration, repair, change, or other work, the Owner who had requested such approval shall proceed to perform, construct or make the addition, alteration, repair, change, or other work approved by the Design Review Committee as soon as practicable. Any change, deletion, or

addition to the plans and specifications approved by the Design Review Committee must be approved in writing by the Design Review Committee.

The Design Review Committee may adopt rules and regulations or include in the Gunnison Rising Design Guidelines provisions exempting certain Improvements from the obligation to obtain Design Review Committee approval if the Improvements meet the design requirements set forth in the Gunnison Rising Design Guidelines.

Nothing contained herein shall authorize the Design Review Committee to prohibit the replacement of cedar shakes or other flammable roofing materials (if such flammable roofing materials are permitted under the Gunnison Rising Design Guidelines) with non-flammable roofing materials for fire prevention and fire suppression purposes, as long as such non-flammable roofing materials comply with the Gunnison Rising PUD and the Gunnison Rising Design Guidelines. The Design Review Committee may establish reasonable standards for the color, appearance, and general type of non-flammable roofing materials that are used to replace flammable roofing materials, but such rules and regulations or design guidelines may not require the use of non-flammable materials that exceed the replacement costs of the flammable materials for which they are being substituted.

Section 11.3 **Appeal.** Any Owner or other Resident aggrieved by a decision by the Design Review Committee may appeal the decision to the Board in accordance with procedures established in the Gunnison Rising Design Guidelines. The Design Review Committee has the initial authority on matters related to the Gunnison Rising Design Guidelines. The Design Review Committee appeal decisions shall then go before the Master Association Board for a final decision.

Section 11.4 **Design Review Fee.** The Design Review Committee shall have the right to charge fees for services including, but without limitation such matters as construction clean up services, reviewing requests for approval of any construction, installation, alteration, addition, repair, change, or other work pursuant to this Section, which fees shall be payable at the time the application for approval is submitted to the Design Review Committee, along with such additional fees for changes, alterations, or other requests as may be established. The amount of such fees shall be based upon the reasonable costs of the Design Review Committee to perform its design and review duties. The Design Review Committee may employ an architect, engineer, and other design professionals and consultants to assist the Committee in performing its duties and the fees for such services shall be included in the Design Review Fee so long as such contracts comply with the termination provisions of the Act. In the event the fees for such services exceed the Design Review Fee collected at time of application submittal, such additional fees shall also be an obligation of such Owner and shall be paid by such Owner upon request.

Section 11.5 **Appointment and Representation of Design Review Committee Members.** Design Review Committee members shall be initially appointed by the Declarant and shall include a representative of the Declarant with technical assistance of an outside independent architect or land planner. Declarant's right to appoint Design Review Committee members shall cease and the Board shall be vested with that right and all other rights of the Declarant pertaining to the Design Review Committee as stated in this Article XI. The Board shall supervise the Design Review Committee whose composition shall consist of a minimum of three (3) and a maximum of (5) voting members.

Section 11.6 **Non-Liability for Approval of Plans.** Plans and specifications shall be approved by the Design Review Committee as to architectural style and character, building types, massing, materials, sustainable design, and color for a range of mixed-use, commercial, civic, single-family, and multi-family residential uses, as well as public and private landscapes. The Design Review Committee takes no responsibility for engineering design, drainage design or for compliance with zoning and building ordinances,

and by approving any plans and specifications, neither the Master Association, any member, the Board, nor the Declarant assumes any liability or responsibility therefore, or for any defect in any structure constructed from such plans and specifications. Neither the Design Review Committee, any member thereof, the Master Association, the Board nor the Declarant shall be liable to any Owner or other person for any damage, loss, or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications, or (c) the development, or manner of development, of any property within Gunnison Rising. Approval of plans and specifications by the Design Review Committee is not, and shall not be deemed to be, a representation or warranty, whether express or implied, that said plans or specifications comply with applicable governmental ordinances or regulations including, without limitation, zoning ordinances and building codes, and industry standards for design or construction.

Section 11.7 **Inspections; Enforcement.** The Design Review Committee, or its designated representative(s), shall have the right during reasonable business hours to enter upon and inspect any building site and any Improvements to determine whether or not the construction, installation, addition, alteration, repair, change, or other work therefore have been approved by the Design Review Committee. The Owner of a building site or Improvements shall not be responsible for, and the Master Association shall indemnify the Owner from and against, any damages or injuries to any Person making such inspection unless the damages or injuries result from the negligence or willful misconduct of the Owner, Lessee, Resident, or Tenant of the Tract, Unit, Lot, or Parcel being inspected.

If the Design Review Committee determines that construction, installation, addition, alteration, repair, change, or other work has not been approved or plans and specifications which were approved are not being substantially complied with, the Design Review Committee shall give the Owner written notice and an opportunity to cure before any enforcement action is taken. The period allowed for an Owner to cure a breach or default shall be ten (10) days from the Owner's receipt of a notice of default. If the default cannot reasonably be cured within the ten (10) day period, the Owner shall have such additional time as may reasonably be required to cure provided the Owner commences efforts to cure within the ten (10) day period and thereafter continues with diligence to completion. If the situation is not remedied prior to expiration of the applicable cure period, the Board and the Design Review Committee shall each be entitled to enjoin further work, to require the removal or correction of any work in place that does not comply with approved plans and specifications, and pursue any and all available remedies through a proceeding at law or in equity against any Owner.

If any Improvements are altered or replaced or maintained on any Tract, Unit, Lot, or Parcel otherwise than in substantial conformity with the approved plans and specifications therefore, such action shall be deemed to have been undertaken without requisite approval of the Design Review Committee and to be in violation of this Master Declaration or the relevant Supplemental Declaration, and the Board and the Design Review Committee shall each be entitled to take action as permitted under this Master Declaration with respect thereto.

ARTICLE XII - RIGHTS AND POWERS OF MASTER ASSOCIATION

Section 12.1 **Master Association's Rights and Powers as Set Forth in Articles and Bylaws.** In addition to the rights and powers of the Master Association set forth in this Master Declaration, the Master Association shall have such rights and powers as are set forth in its Articles and Bylaws or as provided by Colorado common law or statute, including the Act. Such rights and powers, subject to the approval thereof by any agencies or institutions deemed necessary by Declarant, may encompass any and all things which a natural person could do or which now or hereafter may be authorized by law, provided such Articles and Bylaws are not inconsistent with the provisions of this Master Declaration and are necessary, desirable or convenient for effectuating the purposes set forth in this Master Declaration. After incorporation of the Master Association, a copy of the Articles and Bylaws of the Master Association shall be available for inspection at the office of the

Master Association during reasonable business hours. In addition to all other rights and remedies granted to the Master Association by this Master Declaration, the Master Association shall have the power to impose reasonable fines against an Owner for any violation of this Master Declaration.

Section 12.2 **Master Association's Rights of Enforcement of Provisions of This and Other Instruments**. The Master Association, as the agent and representative of the Owners, shall have the right to enforce the covenants set forth in this Master Declaration and/or any and all covenants, restrictions, reservations, charges, servitudes, assessments, conditions, liens, or easements provided for in any contract, deed, declaration, or other instrument which (a) shall have been executed pursuant to, or subject to, the provisions of this Master Declaration, or (b) otherwise shall indicate that the provisions of such instrument were intended to be enforced by the Master Association or by Declarant.

Section 12.3 **Contracts with Others for Performance of Master Association's Duties**. Subject to the restrictions and limitations contained herein, the Master Association may enter into contracts and transactions with others, including Declarant and its affiliated companies, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more directors or officers of the Master Association or members of any committee are employed by or otherwise connected with Declarant or its affiliates, provided that the fact of such interest shall be disclosed or known to the other directors acting upon such contract or transaction, and provided further that the transaction or contract is fair and reasonable. Any such director, officer, or committee member may be counted in determining the existence of a quorum at any meeting of the Board or committee of which he is a member which shall authorize any contract or transaction described above or grant or deny any approval sought by the Declarant, its affiliated companies, or any competitor thereof and may vote thereon to authorize any such contract, transaction or approval with like force and effect as if he were not so interested.

ARTICLE XIII - ANNEXATION OF ADDITIONAL PROPERTY/WITHDRAWAL

Section 13.1 **Annexation Without Approval**. All or any part of the Additional Property may be annexed to the Covered Property and become subject to this Master Declaration and subject to the jurisdiction of the Master Association without the approval, assent, or vote of the Master Association or its Members, by the execution and Recording of a Supplemental Declaration, a Notice of Annexation, or a deed by Declarant or its successors and assigns describing the part of the Additional Property to be annexed and stating that such property is being annexed to this Master Declaration. No Supplemental Declaration, Notice of Annexation, or deed so executed and Recorded pursuant to this Section more than twenty-five (25) years after the later of: (i) the recording of this Master Declaration, or (ii) the last Recording of a Supplemental Declaration, Notice of Annexation, or deed annexing property to this Master Declaration, shall affect an annexation of the property described therein to this Master Declaration. Thereafter, the Master Association shall have the right to annex and subject to this Master Declaration all or any part of the Additional Property only with the written approval of the Owner thereof and by executing and Recording a Supplemental Declaration or Notice of Annexation. The Recording of said Supplemental Declaration, Notice of Annexation, or deed annexing property to this Master Declaration shall constitute and effectuate the annexation of said portion of the Additional Property described therein, making said real property subject to this Master Declaration and subject to the functions, powers, and jurisdiction of the Master Association, and thereafter said property shall be part of the Covered Property and all of the Owners of Units, Parcels, Tracts, or Lots in said real property shall automatically be Members of the Master Association. Memberships, voting, and allocated interests shall be allocated to the Additional Property upon annexation in accordance with the applicable provisions of this Master Declaration. The total number of votes in the Master Association shall be increased in an amount equal to the number of votes allocated to the property that is annexed and the total number of Units, Lots, Tracts, or Parcels subject to assessment shall be increased in the amount of the memberships allocated to the Additional Property that is annexed to this Master Declaration. Although Declarant or its successors and assigns or the Master Association

shall have the ability to so annex all or any portion of the Additional Property in accordance with the provisions of this Section 13.1, neither Declarant nor its successors and assigns or the Master Association shall be obligated to annex all or any portion of such Additional Property and such Additional Property shall not become subject to this Master Declaration unless and until a Supplemental Declaration, Notice of Annexation, or deed annexing property to this Master Declaration shall have been so executed and Recorded.

Section 13.2 **Withdrawal of Property**. Declarant reserves the unilateral right during the Development Period to amend this Master Declaration to withdraw any portion of the Covered Property from the coverage of this Master Declaration whether originally described in Exhibit "A" or added by Supplemental Declaration, Notice of Annexation, or deed; provided, no property shall be withdrawn after a structure located on such property has been conveyed by Declarant to any Person other than an affiliate of Declarant, a Developer, or a Builder. The total number of votes in the Master Association shall be reduced in an amount equal to the number of Units, Lots, Tracts and Parcels withdrawn and the total number of Units, Lots, Tracts, or Parcels subject to assessment shall be reduced in a like amount. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn.

ARTICLE XIV - DEVELOPMENT RIGHTS AND PROTECTIONS

Section 14.1 **Reasonable Rights to Develop**. Declarant may be undertaking the work of constructing improvements to and upon the Covered Property, including but not limited to the Residential Development, Commercial Development, and Common Areas (collectively "Property Improvements"). The completion of such construction and the sale or other disposal of such improvement is essential to the establishment and welfare of the Covered Property as a residential and mixed-use community. Therefore, until the expiration of the Development Period, nothing in this Master Declaration or the other Governing Documents shall be understood or construed to:

- (a) Prevent Declarant, its contractors, or its subcontractors from doing in the Covered Property or on any Unit whatever is reasonably necessary or advisable in connection with the development, construction, and sale of Improvements;
- (b) Prevent Declarant or its representatives from erecting, constructing, and maintaining on any part of the Covered Property such structures as reasonably may be necessary for the conduct of its business of completing the Improvements and disposing of the Property Improvements by sale, lease, or otherwise;
- (c) Prevent Declarant from conducting on any part of the Covered Property its business of completing the Improvements and of disposing of the Property Improvements by sale, lease, or otherwise;
- (d) Prevent Declarant from maintaining such signs and conducting such activities on any part of the Covered Property owned by Declarant or the Master Association as Declarant may deem to be reasonably necessary for the sale, lease, or disposition of Improvements; or
- (e) Prevent Declarant from placing on and utilizing Improvements or other property which it owns one or more mobile homes or temporary structures as sales offices or for construction activities, provided such structures and Improvements for sales offices have been approved by the Design Review Committee.

However, nothing in this Section shall give Declarant the right to damage any Unit or other property not owned by Declarant.

Section 14.2 **Special Declarant Rights**. During the Development Period, Declarant reserves the following Special Declarant Rights which shall be in conformance with the Gunnison Rising PUD and the Gunnison Rising Design Guidelines:

- PUD;
- (a) The right to complete any improvements indicated on Plats or the Gunnison Rising PUD;
 - (b) The right to exercise any of the following Development Rights:
 - (i) The right to expand the Covered Property as provided in Article XIII;
 - (ii) The right to create additional developable areas if the Additional Property is annexed to this Master Declaration;
 - (iii) The right to subdivide or combine Lots which it owns or convert Lots which it owns into Common Areas;
 - (iv) Subject to Section 13.2, the right to withdraw from the Covered Property any Units or Lots or any portion of a Unit or Lot not yet conveyed by Declarant, subject to such local government approvals as may be required; and
 - (v) The right to reconfigure the boundaries of the Common Area;
 - (c) The right of access over the Common Area for the purpose of making improvements within the Covered Property;
 - (d) The right to merge or consolidate the Master Association with another common interest community of the same form of ownership; and
 - (e) The right to appoint and remove any director or officer of the Master Association during the Declarant Control Period as provided in the Bylaws.

The foregoing rights may be exercised with respect to different portions of the Covered Property at different times. If a Development Right is exercised with respect to any portion of the Covered Property, it need not be exercised with respect to all or any other portion of the Covered Property. No assurances are made as to the boundaries of the Covered Property, nor with respect to the order in which such Development Rights may be exercised.

Section 14.3 **Right to Approve Additional Covenants**. For so long as Declarant owns the Covered Property or Additional Property, no Person shall Record any declaration of covenants, conditions, and restrictions, or declaration of condominium or similar instrument affecting any portion of the Covered Property without Declarant's review and written consent. Any attempted Recordation without such consent shall result in such instrument being void and of no force and effect unless Declarant subsequently approves by signed and Recorded written consent.

Section 14.4 **Right to Transfer or Assign Declarant Rights**. Any or all of Declarant's special rights and obligations set forth in this Master Declaration or the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Master Declaration or the Bylaws. No such transfer or assignment shall be effective

unless it is in a Recorded instrument which Declarant signs. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Master Declaration where Declarant does not intend to transfer such right in its entirety. In such case it shall not be necessary to Record any written assignment.

Section 14.5 **Additional Restrictions and Assessments on Portions of the Covered Property.** During the Development Period, Declarant reserves the right to impose additional covenants, restrictions, easements, and obligations on, and create a separate homeowners' association and separate assessments (in addition to those created under this Master Declaration) for, any portion of the Covered Property owned by Declarant or a Consenting Owner prior to its conveyance by Declarant or a Consenting Owner. However, in the event of a conflict between any such additional covenants and restrictions and this Master Declaration, the more restrictive shall control.

Section 14.6 **Right to Designate Sites for Governmental and Public Interests.** Until the termination of the Development Period, Declarant may designate sites within the Covered Property for government, education, or religious activities and interests, including without limitation, fire, police, and utility facilities, schools and educational facilities, houses of worship, parks, and other public facilities. The sites may include Common Area, in which case the Master Association shall take whatever action is required with respect to such site to permit such use, including dedication or conveyance of the site, if so directed by Declarant.

Section 14.7 **Right to Approve Changes in Community Standards.** Until the termination of the Development Period, no amendment to or modification of any Association Rules or Gunnison Rising Design Guidelines shall be effective without prior notice to and the written approval of Declarant.

Section 14.8 **Use of Technology.** In recognition of the opportunities offered through computers, fiber optics and continuing advancements in the high technology fields, the Association may, as a common expense, provide for or offer services which make use of computers, fiber optics, and other technological opportunities. For example, to the extent Colorado law permits, and unless otherwise specifically prohibited in the Governing Documents, the Association may send required notices by electronic means; hold Board or Association meetings and permit attendance and voting by electronic means; send and collect assessment and other invoices electronically; sponsor a community cable television channel; create and maintain a community intranet or internet home page offering interactive participation opportunities for users; provide a fiber optic system within Gunnison Rising; maintain an "online" newsletter or bulletin board; and provide funding for any of the above purposes.

(a) **Central Telecommunication, Receiving, and Distribution System.** Declarant reserves for itself, its affiliates, successors, and assignees, the exclusive and perpetual right and easement to operate within Gunnison Rising, and to service the buildings and structures and any Units within buildings and structures, a central telecommunication (including television and security monitoring), fiber optic, internet and telephone receiving and distribution systems, including conduits, wires, amplifiers, towers, antennae, computers, and other related apparatus and equipment ("Community Systems") as Declarant, in its discretion, deems appropriate. Such exclusive and perpetual right shall include, without limitation, Declarant's right to select and contract with companies licensed and/or authorized to provide telecommunications and television service in the State of Colorado, and to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable.

Declarant may require that the Board enter into a bulk rate service agreement for the provision of Community Systems to all Units as a common expense. If particular additional services or benefits are provided to particular Owners or Units at their request, the benefited Owner(s) shall pay the service provider

directly for such additional services, or the Association may assess the costs solely against such Owners as a Special Use Assessment, as appropriate.

(b) Notices and Disclaimers as to Community Systems. In recognition of the fact that interruptions in television and other Community Systems services will occur from time to time, neither Declarant nor any of Declarant's successors or assigns shall in any manner be liable for, and no Community System user shall be entitled to refund, rebate, discount, or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

(c) Disclaimer and Limitation of Liability. The Association shall not be liable for any loss, damage or injury resulting from: (a) any virus or contamination of any data, computer, or computer system arising from access to the Community Systems; (b) any delays, interruptions, or inconveniences in accessing or using any functions of the Computer, or inability to access or download information, software or other materials through the Community Systems; (c) the quality, validity, completeness of, or any inaccuracies, errors, or omissions in, any information, software, or other materials accessible through the Community Systems. The Association does not endorse and makes no representations or warranties regarding the quality, safety, suitability, or usefulness of any software or other materials accessible through the Community Systems. All users assume the entire risk associated with use of and access to the Community Systems and any information, software, or other materials available through the Community Systems.

The Community Systems, and all information and materials accessible to users of the Community Systems, are made available "as is" without warranties of any kind, either express or implied, including, without limitation, warranties of title or implied warranties of merchantability or fitness for a particular purpose.

(d) Community Intranet. The Covered Property may be equipped with community intranet system. Declarant shall have the sole discretion and authority to determine and select the appropriate system or systems, and may change, modify, or terminate the systems from time to time. There is no guarantee or representation that any particular type of community intranet system(s) will be utilized or provided.

Declarant shall have the sole authority to select the provider(s) of the components and services (including, but not limited to, hardware, software, programming, infrastructure, management, and administration) constituting the community intranet system. Declarant shall have no obligation to utilize any particular provider or providers. Declarant also shall have the sole authority to control the content and the operation of the community intranet system.

Declarant may enter into contracts with providers for different components of the community intranet system and with other Persons for the maintenance, management, administration, upgrading, modification, and operation of such systems. The terms of the applicable contract(s) may obligate individual Owners or occupants to execute contracts or agreements directly with the Persons providing intranet services or components prior to gaining access to such systems. Such contracts or agreements may contain terms and conditions relating to use and access to the community intranet system and associated fees or assessments in addition to those contained in this Section.

Declarant may, from time to time, but shall not be obligated to, delegate or assign all or a portion of its reserved rights under this Section to the Association or a Sub-Association.

ARTICLE XV - TERM; AMENDMENTS; TERMINATION

Section 15.1 **Term; Method of Termination.** This Master Declaration shall be effective upon the date of Recording hereof and, as amended from time to time, shall continue in full force and effect for a term of thirty (30) years from the date this Master Declaration is Recorded. From and after said date, this Master Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each. The Master Declaration may be terminated at any time if the Owners comprising at least sixty-seven percent (67%) of the votes entitled to be cast by the applicable Membership vote in favor of termination at an election held for such purpose. If the necessary votes and consents are obtained, the Board shall cause to be Recorded with the Clerk and Recorder of Gunnison County, Colorado, a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Master Association, with their signatures acknowledged. Thereupon this Master Declaration and the covenants contained herein shall have no further force and effect, and the Master Association shall be dissolved pursuant to the terms set forth in its Articles.

Section 15.2 **Amendments.** This Master Declaration may be amended at any time and from time to time by Recording with the Clerk and Recorder of Gunnison County, Colorado, a Certificate of Amendment, duly signed and acknowledged as required for a Certificate of Termination in Section 15.1 of this Article. The Certificate of Amendment shall set forth in full the amendment adopted, and, except as provided in Section 15.3 of this Article, shall certify that at an election duly called and held pursuant to the provisions of the Articles and Bylaws the Owners comprising at least sixty-seven percent (67%) of the votes entitled to be cast by the applicable Membership voted affirmatively either in person or by proxy for the adoption of the amendment. A Supplemental Declaration may be amended with: (i) the approval of the Board; (ii) the approval of the Declarant as long as the Declarant owns any property in Gunnison Rising; and (iii) the affirmative vote of sixty-seven percent (67%) of all votes entitled to be cast by the applicable Membership by Members who own a Tract, Unit, Lot, or Parcel within the affected Tract. Notwithstanding the foregoing to the contrary (i) all amendments must be approved by the Board, and (ii) all amendments to the Article VIII, Section 8.3 affecting lienholder priority must be approved by the holders of any and all first mortgages and deeds of trust affected thereby.

Section 15.3 **Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions.** Anything in this Article to the contrary notwithstanding, Declarant so long as the Declarant owns any Tract, Unit, Lot, or Parcel, and thereafter, the Board, may amend all or any part of this Master Declaration to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA"), the Veterans Administration ("VA"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac") and to further amend to the extent, requested by any other federal, state, or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Master Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Units, Lots, or Parcels or portions thereof. Any such amendment shall be effected by the Recording, by Declarant, if made by the Declarant, or by the Board if made by the Board, of a Certificate of Amendment, specifying the federal, state, or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the mandatory language requested by such agency or institution. The Recording of such a Certificate shall be deemed conclusive proof of the agency or institution's request for such an amendment, and such Certificate, when Recorded, shall be binding upon all of the Covered Property and all persons having an interest therein.

ARTICLE XVI - GENERAL PROVISIONS

Section 16.1 **Severability.** Any determination by any court of competent jurisdiction that any provision of this Master Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

Section 16.2 **Non-Waiver**. Failure by the Declarant, the Master Association, any Owner, or other person or entity to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Master Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

Section 16.3 **Change of Circumstances**. Except as otherwise expressly provided in this Master Declaration, no change of conditions or circumstances shall operate to extinguish, terminate, or modify any of the provisions of this Master Declaration.

Section 16.4 **Rules and Regulations**. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Master Declaration, the Master Association shall have the right to adopt rules and regulations with respect to all other aspects of the Master Association's rights, activities, and duties, provided said rules and regulations are not inconsistent with the provisions of this Master Declaration and after the notice and hearing requirements of Section 302(1)(k) of the Act.

Section 16.5 **Declarant's Disclaimer of Representations**. Anything to the contrary in the Master Declaration notwithstanding, and except as otherwise may be expressly set forth on a Recorded plat or other instrument Recorded in the office of the County Recorder of Gunnison County, Colorado, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of Gunnison Rising can or will be carried out, or that any land now owned or hereafter acquired by it is or will be subjected to this Master Declaration, or that any such land (whether or not it has been subjected to this Master Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect.

Section 16.6 **References to the Covenants in Deeds**. Deeds to and instruments affecting any Tract, Unit, Lot, or Parcel or any part of the Covered Property may contain the covenants herein set forth by reference to this Master Declaration; but regardless of whether any such reference is made in any Deed or instrument, each and all of the covenants shall be binding upon the grantee, Owner, or other person claiming through any instrument and his heirs, executors, administrators, successors, and assigns.

Section 16.7 **Successors and Assigns of Declarant**. Any reference in this Master Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder.

Section 16.8 **Gender and Number**. Wherever the context of this Master Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

Section 16.9 **Captions and Titles**. All captions, titles or headings of the Articles and Sections this Master Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

Section 16.10 **Notices**. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law, this Master Declaration or resolution of the Board to be given to any Owner or Resident then, unless otherwise specified herein or in the resolution of the Board, such notice requirement shall be deemed satisfied if notice of such action or meeting is published once in any newspaper in general circulation within the City of Gunnison. This Section shall not be construed to require that any notice be given if not otherwise required and shall not prohibit satisfaction of any notice requirement in any other manner.

Section 16.11 **FHA/VA/Fannie Mae/Freddie Mac Approval**. If this Master Declaration has been initially approved by the FHA, the VA, Fannie Mae, or Freddie Mac in connection with any loan programs made available by FHA, VA, Fannie Mae, or Freddie Mac and any loans have been made which are insured or guaranteed by FHA, VA, Fannie Mae, or Freddie Mac, then during the Declarant Control Period the following actions will require the prior approval of the FHA, the VA, Fannie Mae, or Freddie Mac, as applicable, unless the need for such approval has been waived by FHA, VA, Fannie Mae, or Freddie Mac: (1) annexation of Additional Property and amendment of this Master Declaration; or (2) any changes to the Articles or Bylaws during the Declarant Control Period.

Section 16.12 **Attorneys' Fees**. In addition to any other remedies set forth in this Master Declaration regarding costs and attorney's fees, in the event the Master Association employs an attorney to enforce any lien granted to it under the terms of this Master Declaration or to collect any Assessments or other amounts due from an Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Master Declaration, Articles, Bylaws, Association Rules, or Gunnison Rising Design Guidelines, the offending Owner or other person or entity shall pay to the Master Association, upon demand, all attorney fees and court costs incurred by the Master Association, whether or not suit is filed, which fees and costs shall be secured by the Assessment Lien. Provided, however, the Master Association may not allocate any of its costs and attorneys' fees incurred in asserting or defending a claim against a Unit Owner where such Unit Owner is the prevailing party.

Section 16.13 **Dispute Resolution**. Any dispute between the Master Association and the Declarant, between any Owner and the Declarant, or between the Master Association and any Owner, with respect to a matter other than delinquent assessments or enforcement of Design Review Committee decisions, shall be submitted to arbitration in Gunnison, Colorado, before a panel of three (3) arbitrators, under the supervision, rules, and procedures of the American Arbitration Association then in effect and in accordance with the provisions of the Uniform Arbitration Act set forth as Part 2 of Article 22 of Title 13, Colorado Revised Statutes, as modified herein. The Master Association shall comply with the provisions of the following paragraph of this Section 16.14, if applicable to the subject matter of the arbitration. Discovery in such arbitration will be conducted in accordance with the Colorado Rules of Civil Procedure, except that all discovery must be completed within one hundred eighty (180) days after selection of the arbitrators. If the parties to the dispute are unable to agree on the selection of three (3) arbitrators, then the American Arbitration Association will select and implement a method for selection of the arbitrators. The decision of the arbitrators in such cases will be final and binding. The cost of the arbitration proceedings, including reasonable attorneys' fees and expenses of the parties, will be paid by the party(ies) which is not or are not the substantially prevailing party(ies) in the arbitration proceedings (in equal shares, if there are more than one such non-prevailing parties). In any arbitration hereunder, the arbitrators will determine, in addition to any matters submitted by the parties, which party(ies) is or are the substantially prevailing party(ies). The prevailing party(ies) will be the party(ies) who prevail(s) on substantially more of the matters submitted to arbitration, including, without limitation, claims, defenses, remedies, and amounts of damages sought, than any of the other party(ies) to the arbitration. However, all parties to the arbitration shall share equally in all fees required to be paid to the American Arbitration Association and/or the arbitrators, subject to reimbursement of such fees to the prevailing party(ies) from the non-prevailing party(ies).

Notwithstanding any other provisions of this Master Declaration, the Articles of Incorporation, or Bylaws of the Master Association, or any Association Rules of the Master Association, any action or arbitration brought by the Master Association in which it seeks to recover an unspecified amount of damages or damages in excess of Twenty-Five Thousand Dollars (\$25,000) shall first be approved by the vote of the Members holding at least seventy-five percent (75%) of the voting power of the Master Association. All costs and fees to be incurred in connection with such action shall be described in a budget which is approved by the vote of the Members holding at least seventy-five percent (75%) of the voting power of the Master Association at the same

time as the required vote of the Members is obtained to bring the action. Any expenditure in excess of such approved budget shall be approved as an amendment to the budget, which is approved by the same percentage vote of the Members. The proposed litigation budget and a summary of the claims to be asserted in the action shall be mailed to all of the Members, with a notice of the meeting, describing the purpose of the meeting, at least thirty (30) days prior to the date of the meeting. The costs and fees incurred in connection with such action shall be assessed against all of the Owners, other than the Owner against whom any such action is proposed, as a special assessment. Such costs and fees shall not be paid from Annual Assessments, Transfer Fees, Working Capital Fees, Design Review Fees, or other Special Assessments. The Association may not bring an action for breach of warranty or other claims that did not arise out of a violation of the provisions of this Master Declaration. The foregoing requirements shall not apply to any action brought by the Master Association to collect assessments from Members or to obtain injunctive relief in connection with a violation of the provisions of this Master Declaration, whether or not the Master Association seeks to recover its costs of suit and attorneys' fees.

Section 16.14 **Remedies Cumulative**. Each remedy afforded the Master Association herein is cumulative and not exclusive.

Section 16.15 **Responsibility of Successors in Interest to Owner's Violations**. Successors in title of an Owner to a Tract, Unit, Lot, or Parcel are obligated to correct any violation of the Master Declaration, the Association Rules, or the Gunnison Rising Design Guidelines by any preceding Owner of the Tract, Unit, Lot, or Parcel.

GUNNISON GATEWAY, LLC, LLC, a Colorado limited liability company

By: _____
Its: _____

Address: c/o Rufus Wilderson
232 West Tomichi Avenue
Suite 202
Gunnison, Colorado 81230

Facsimile: _____
Email: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Master Declaration was acknowledged before me on this ____ day of _____, 2009, by _____, as _____ of **GUNNISON GATEWAY, LLC**, a Colorado limited liability company, as a Consenting Owner.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

L. RICHARD BRATTON

DONNA R. BRATTON

Address: P.O. Box 856
Gunnison, Colorado 81230
Facsimile: _____
Email: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Master Declaration was acknowledged before me on this ____ day of _____, 2009, by **L. RICHARD BRATTON** and **DONNA R. BRATTON**, collectively, as a Consenting Owner.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

LIST OF EXHIBITS

Exhibit "A" Legal Description of Gunnison Rising

Exhibit "B" Additional Property

EXHIBIT A

LEGAL DESCRIPTION OF GUNNISON RISING

A tract of land situated in Section 1, Township 49 North, Range 1 West, Section 36, Township 50 North, Range 1 West, Sections 5 & 6, Township 49 North and Sections 30 & 31, Township 50 North, Range 1 East, New Mexico Principal Meridian, Gunnison County, State of Colorado, more particularly described as follows:

Beginning at the E $\frac{1}{4}$ corner of said Section 31; Thence S 00°23'38" W 1324.57 Ft. to the Southeast corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 31; Thence S 89°43'41" W 1339.66 Ft. to the Southwest corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 31; Thence S 00°06'24" W 1364.37 Ft. to the South Right-of-Way of U.S. Highway 50; Thence N 89°47'13" E 1335.75 Ft. along said South Right-of-Way; Thence N 89°46'08" E 2629.52 Ft. along said South Right-of-Way to a curve; Thence 568.43 Ft. along the arc of a curve to the right along said South Right-of-Way having a radius of 1382.50 Ft., a central angle of 23°33'29" and a chord of S 80°51'50" E 564.44 Ft. to a reverse curve; Thence 897.91 Ft. along the arc of a curve to the left along said South Right-of-Way having a radius of 1005.00 Ft., a central angle of 51°11'25" and a chord of S 83°46'55" E 868.34 Ft. to a compound curve; Thence 278.27 Ft. along the arc of a curve to the left along said South Right-of-Way having a radius of 1980.00 Ft. a central angle of 08°03'09" and a chord of N 83°10'10" E 278.04 Ft.; Thence S 67°42'16" W 53.30 Ft.; Thence S 40°54'57" W 145.71 Ft.; Thence S 23°32'39" W 126.67 Ft.; Thence S 04°53'25" E 223.24 Ft.; Thence S 03°24'52" W 398.71 Ft.; Thence S 85°33'42" W 700.92 Ft.; Thence N 66°21'06" W 93.44 Ft.; Thence N 58°06'04" W 191.98 Ft.; Thence S 68°05'02" W 44.26 Ft.; Thence N 85°52'10" W 94.86 Ft.; Thence N 48°17'08" W 297.80 Ft.; Thence S 89°20'32" W 198.37 Ft.; Thence S 57°04'57" W 163.61 Ft.; Thence S 31°48'25" W 68.93 Ft.; Thence N 74°42'38" W 467.51 Ft.; Thence S 73°08'43" W 414.66 Ft.; Thence N 60°44'16" W 376.57 Ft.; Thence S 85°00'41" W 740.78 Ft.; Thence S 86°55'49" W 1238.95 Ft.; Thence S 86°09'44" W 1447.72 Ft.; Thence S 07°27'36" W 470.05 Ft.; Thence S 61°10'21" W 472.51 Ft.; Thence N 01°10'36" W 365.64 Ft.; Thence S 89°09'54" W 766.41 Ft. along the North line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 6 to a Point on the East boundary of the Gunnison County Airport Property Conveyed to Gunnison County by court order, recorded May 29, 2002 at reception number 520716; Thence N 16°24'30" W 946.95 Ft. along said Airport Boundary; Thence S 73°35'30" W 2887.24 Ft. along said Airport Boundary to the West line of Government Lot 1 of said Section 1; Thence N 00°08'15" W 637.48 Ft. along the West line of Government Lot 1 of said Section 1 to the Southerly line of the Pioneer Society Addition to the City of Gunnison; Thence N 59°40'00" E 992.74 Ft. along said Addition to the South Right-of-Way of U.S. Highway 50; Thence N 89°45'50" E 31.74 Ft. along said South Right-of-Way; Thence N 00°14'10" W 10.00 Ft. along said South Right-of-Way; Thence N 89°45'50" E 422.59 Ft. along said South Right-of-Way; Thence N 00°19'28" E 199.26 Ft. to the South line of the Wilson Subdivision; Thence N 89°44'13" E 298.29 Ft. to the Southeast corner of said Subdivision; Thence N 00°24'42" E 749.87 Ft. to the Northeast corner of said Subdivision; Thence S 90°00'00" W 665.54 Ft. to the Northwest corner of said Subdivision; Thence N 00°20'16" E 160.44 Ft. to the North line of the Western State College tract of land described in Book 592 Page 374, Gunnison County Records; Thence S 89°59'20" W 354.96 Ft. to the Northwest corner of said tract of land; Thence N 00°20'16" E 573.73 Ft. to the Northwest corner of the E $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 36; Thence N 89°59'34" E 723.64 Ft. to the East line of said Section 36; Thence N 00°25'34" E 998.76 Ft. to the East $\frac{1}{4}$ corner of said Section 36;

Thence N 00°16'22" W 1408.93 Ft. to a point on the West line of Section 31; Thence S 53°25'47" E 1135.40 Ft.; Thence S 89°58'56" E 366.73 Ft.; Thence N 00°33'12" W 1911.81 Ft. to the Southwest corner of the SE1/4SW1/4 of Section 31; Thence N 22°23'07" E 572.25 Ft.; Thence S 88°48'33" E 267.61 Ft.; Thence S 21°46'27" E 386.90 Ft.; Thence S10°59'31" E 483.90 Ft.; Thence S 29°21'37" E 1146.79 Ft. to the Northeast corner of the SE1/4NW1/4 of Section 31; Thence N 89°39'15" E 820.64 Ft.; Thence S 35°58'54" E 582.64 Ft.; N 89°39'15" E 536.57 Ft.; Thence S 35°50'18" E 1042.33 Ft.; Thence N 89°41'54"E 272.84 Ft. to the Point of Beginning containing 633.024 Acres, more or less.

Basis of bearings is the North line of said Section 6 being S 89°46'00' W according to the U.S.G.L.O. Plat of Township 49 North, Range 1 East, N.M.P.M.

EXHIBIT B

ADDITIONAL PROPERTY

NORTH PARCEL LEGAL DESCRIPTION

A tract of land situated in Sections 30 & 31, Township 50 North, Range 1 East, New Mexico Principal Meridian, Gunnison County, State of Colorado, more particularly described as follows:

Beginning at the E $\frac{1}{4}$ corner of said Section 31; Thence S 89°41'54"W 272.84 Ft.; Thence N 35°50'18" W 1042.33 Ft.; Thence S 89°39'15" W 536.57 Ft.; Thence N 35°58'54" W 582.64 Ft.; Thence S 89°39'15" W 820.64 Ft. to the Center North 1/16 corner of Section 31; Thence N 29°21'37" W 1146.79 Ft.; Thence N 10°59'31" W 483.90 Ft.; Thence N 21°46'27" W 386.90 Ft.; Thence N 88°48'33" W 267.61 Ft.; Thence S 22°23'07" W 572.25 Ft. to the West 1/16 corner of Section 31; Thence S 00°33'12" E 1911.81 Ft.; Thence N 89°58'56" W 366.73 Ft.; Thence N 53°25'47" W 1135.40 Ft. to a point on the West line of the NW $\frac{1}{4}$ said Section 31; Thence N 00°16'22" W 1227.99 Ft. to the Northwest corner of said Section 31; Thence N 00°14'06" W 453.80 Ft. to the Southwest corner of a tract of land described under Reception No. 481994, Gunnison County Records; Thence N 50°04'01" E 187.74 Ft. along the East line of said tract of land; Thence N 24°47'59" E 821.35 Ft. along the East line of said tract of land to the North line of Government Lot 4 of said Section 30; Thence N 89°33'40" E 768.62 Ft. to the Southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 30; Thence N 00°21'14" W 1317.10 Ft. to the Northwest corner of said NE $\frac{1}{4}$ SW $\frac{1}{4}$; Thence N 89°30'26" E 1259.07 Ft. to the Northeast corner of said NE $\frac{1}{4}$ SW $\frac{1}{4}$; Thence N 89°30'26" E 2577.10 Ft. to the Northeast corner of the SE $\frac{1}{4}$ of said Section 30; Thence S 00°38'42" W 2641.58 Ft. to the Point of Beginning containing 421.660 Acres, more or less.

Basis of bearings is the South line of said Section 31 being S 89°46'00" W according to the U.S.G.L.O. Plat of Township 50 North, Range 1 East, N.M.P.M.

