

SUPPLEMENTAL DECLARATION AND
PARTY WALL AGREEMENT FOR
LIBERTY DRAW TOWNHOMES

This Supplemental Declaration and Party Wall Agreement for Liberty Draw Townhomes (the "Supplemental Declaration") is made as of the 21 day of August, 2023, by Liberty Draw Land Developers, LLC, a Colorado limited liability company, its heirs, affiliates, successors and assigns (the "Declarant").

RECITALS:

A. Declarant is the owner of that certain real property located in Weld County, Colorado, within the City of Evans, more particularly described on Exhibit A attached hereto (the "Property").

B. The Property described in Exhibit A is a portion of the property made subject to the Declaration of Covenants, Conditions, and Restrictions for the Liberty Draw PUD and Liberty Draw Metropolitan District ("Master Declaration") recorded August 8, 2023, at Reception No. 4913993, in the real property records of Weld County, Colorado. Pursuant to Article IV of the Master Declaration, the Declarant may record a Supplemental Declaration which may include provisions, which as applicable to the Property described in the Supplemental Declaration, may add to or change the rights, responsibilities and other requirements of the Property in addition to the requirements of the Master Declaration.

C. This Supplemental Declaration is exempt from the provisions of the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 *et seq.* because there is no mandatory association or assessments created under this Supplemental Declaration, and there is no obligation to pay for real estate taxes, insurance premiums, maintenance, or improvements or other real estate or common area created under this Supplemental Declaration.

D. Pursuant to C.R.S. §32-1-1004, the Declarant, in imposing this Supplemental Declaration on the Property, intends to empower the Metropolitan District (as defined in Section 2.4 below) with the authority to provide governmental services, including but not limited to the provision of covenant enforcement and design review services, to the Property and to use therefore revenues that are derived from the Property.

E. The Declarant now desires to establish certain easements, covenants, restrictions and equitable servitudes for the cooperative development, improvement, use, operation, maintenance, repair and enjoyment of the Property.

ARTICLE I

DECLARATION

Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, reservations, restrictions, liens, charges, covenants and conditions which are for the purpose of protecting the value and desirability of the properties which shall run with the land and be binding on all parties and heirs, successors and assigns having any right, title or interest in all or any part of the described properties, and shall inure to the benefit of each owner thereof.

ARTICLE II

DEFINITIONS

The following words when used in this Supplemental Declaration shall have the following meanings:

2.1 "**Agency**" means any agency or corporation such as Housing and Urban Development, Veteran's Administration ("VA"), Federal National Mortgage Association ("FNMA") or Federal Home Loan Mortgage Corporation ("FHLMC") that purchases or insures residential mortgages.

2.2 "**Architectural Review Committee**" or "ARC" shall mean and refer to the committee or committees created pursuant to the terms of the Master Declaration established to review and approve plans for the construction or alteration of Improvements on Lots as set forth in this Supplemental Declaration.

2.3 "**City**" means the City of Evans, Weld County Colorado

2.4 "**County**" means the County of Weld, State of Colorado.

2.5 "**Declaration**" means this Supplemental Declaration and the plat map, and any amendments and supplements to the foregoing.

2.6 "**District**" or "**Metropolitan District**" means the Liberty Draw Metropolitan District, quasi-municipal corporations and political subdivisions of the State of Colorado, together or individually, and their successors or assigns, and/or any other metropolitan districts to whom the Metropolitan District may, from time to time, transfer or assign any or all of the rights, duties, obligations, and responsibilities delineated in this Supplemental Declaration and in the Master Declaration.

2.7 **“District Property”** or **“Metropolitan District Property”** means any real property and improvements within the Property now or hereafter owned or leased by the Metropolitan District, together with all landscaping improvements, trails, open space, irrigation systems, entry monuments, fences, and other improvements now or hereafter located on such Metropolitan District Property for which the Metropolitan District has primary responsibility.

2.8 **“Lot”** means each separate parcel of land within the Property upon which a Unit has been constructed which is intended for private ownership as a residential Unit as shown upon any recorded plat, which may be sold or conveyed as a separately owned parcel.

2.9 **“Owner”** means the owner of record whether one or more persons or entities, of fee simple title to any Lot including the appurtenant Unit, and "Owner" also includes the purchaser under a contract for deed covering a Lot with a current right of possession and interest in the Lot.

2.10 **“Party Wall”** means the foundation wall, the footing under such foundation wall, the shaft liner fire wall supported by the foundation and a roof sheathing or parapet, if existing, capping such fire wall which are part of the original construction of the Units located on the Lots and are located and constructed on or adjacent to the common Lot boundary line which separates two adjoining Lots, and which constitutes a common wall between adjoining Units, as such Party Wall may be repaired or reconstructed. A Party Wall is a structural part of and physically joins the adjoining Units on each side of the Party Wall. Without limiting the foregoing, the term “Party Wall,” as used herein, shall also include any two (2) walls that generally meet the foregoing definition, and that together constitute the wall between two adjoining Units, even if such walls are separated by a de minimus amount of air space.

2.11 **“Plat”** means the subdivision plat map depicting the Lots and the Units, and including common driveways, if any, as the same may be amended from time to time.

2.12 **“Successor Declarant”** means any person or entity to whom a Declarant assigns any or all of its rights, obligations or interest as Declarant, as evidenced by an assignment or deed of record executed by both the Declarant and the transferee or assignee and recorded with the Clerk and Recorder.

2.13 **“Townhome”** means a dwelling Unit attached to one or more Units which share a common boundary, intended for separate fee ownership, which together with other Units comprises a Townhome Building.

2.14 **“Townhome Building”** means multiple dwelling Units attached to one another, which share one or more common boundaries, intended for separate fee ownership, which Units taken together comprise a Townhome Building.

2.15 **“Unit”** means any one of the residential dwelling Units comprising a Townhome Building and “Units” means all of the residential dwelling units comprising a Townhome Building or Buildings.

Each capitalized term not otherwise defined in this Supplemental Declaration or in the Plat shall have the same meanings specified or used in the Master Declaration.

ARTICLE III

PARTY WALL AND OTHER IMPROVEMENTS

3.1 General. Each provision of this Supplemental Declaration and each agreement, promise, covenant, or undertaking to comply with or to be bound by the provisions of this Supplemental Declaration which is contained herein is: (a) incorporated in each deed or other instrument by which any right, title or interest in any Lot is granted, devised or conveyed, whether or not set forth or referenced in such deed or instrument; and (b) by virtue of acceptance of any right, title or interest in any Lot by an Owner or other interest holder, is accepted, ratified, adopted and declared by such Owner or other interest holder, and a personal agreement, promise, covenant and undertaking of such Owner or other interest holder, and such Owner's or other interest holder's heirs, personal representatives, successors, and assigns for the benefit of the other Owner or other interest holder.

3.2 Easement and General Rules of Law to Apply. The Owners of the Lots on each side of a Party Wall own an undivided one-half interest in the Party Wall. To the extent not inconsistent with the provisions of this Supplemental Declaration, the general rules of law regarding party walls, and liability for property damage due to gross negligence or willful acts or omissions, apply thereto. The Owners of the adjoining Lots which are separated by a Party Wall each have a perpetual and reciprocal easement in and to that part of the adjoining Lot for mutual support, maintenance, repair and inspection, and for the installation, repair and maintenance of utility lines and other facilities, and to permit the Owner of the adjoining Lot to do the work reasonably necessary in the exercise of their rights provided in this Supplemental Declaration. In addition, the Owners of the Lots upon which Units within one Townhome Building are located each have perpetual and reciprocal easements in and to those portions of all other Units in the Townhome Building required for mutual support of a common roof on the Townhome Building, including maintenance, repair and inspection, and to permit the Owner of any other Unit within the Townhome Building to do the work reasonably necessary in the exercise of such other Owner's rights provided in this Supplemental Declaration. Maintenance, repair and/or reconstruction of a Party Wall may be performed during reasonable hours only, and no entry may be made onto any other Owner's Lot except as reasonably necessary after reasonable notice to the Owner or occupants of such affected Lot.

3.3 Support. The Owners of adjoining Lots on each side of a Party Wall shall have the full right to use the Party Wall in aid of the support of water, sewer, electric and other utility for support of the Unit located upon such Owner's Lot, and for the reconstruction or remodeling of such improvements. Notwithstanding the foregoing sentence, however, no such use shall impair

the fire rating of the Party Wall or the structural support to which any such Unit is entitled under this Supplemental Declaration, including, without limitation, the support of a common roof over the Units in a Townhome Building.

3.4 Alterations of Party Wall and Common Roof. Party Walls and the common roof of a Townhome Building shall not be materially altered or changed, except by mutual written agreement of the Owners of the adjoining Units and in accordance with plans prepared by a licensed engineer or architect. No Owner of a Lot shall have the right to destroy, remove, or make any structural changes, extensions or modifications of a Party Wall which would jeopardize the fire rating of the Party Wall or the structural integrity of the Units constructed on the adjoining Lots without the prior written consent of the Owner(s) of such adjoining Lots. In addition, no Owner of a Lot shall have the right to destroy, remove, extend or modify the common roof of a Townhome Building without the prior written consent of the Owners of all Units within the Townhome Building, provided, however, that such prohibition does not restrict or hinder an Owner from having that portion of the common roof above his Unit repaired, replaced or re-shingled in the same material and style as the existing common roof without the consent of any other Owner. In the event an Owner must obtain the prior written consent of any other Owner under this Section, such Owner seeking consent must also obtain the prior written consent of the holders of first lien mortgages or first lien deeds of trust on all such Units within the Townhome Building. Any such agreement for change, extension or modification of the Party Wall or common roof shall be recorded in the office of the Clerk and Recorder of the County and shall expressly refer to this Supplemental Declaration. No Owner shall subject a Party Wall to any use which unreasonably interferes with the equal use and enjoyment of the Party Wall by the adjoining Owner.

3.5 Sharing of Repair and Maintenance. Subject to the terms of Section 3.8 below, the cost of reasonable repair and maintenance of a Party Wall between two (2) adjoining Units shall be shared equally by the Owners of the adjoining Units. If an Owner fails to repair or maintain the Party Wall, the other Owner, contiguous to the Party Wall, his agents, servants and employees may, upon five (5) days written notice and without cure, enter upon the Lot and into the Unit of the defaulting Owner and make the necessary repairs or perform the necessary maintenance of the Party Wall and shall be entitled to bring suit for contribution from the other Owner or pursue any other rights or remedies at law or in equity.

3.6 Weatherproofing. Notwithstanding any other provisions of this Supplemental Declaration, an Owner who by his gross negligence or willful act causes a Party Wall to be exposed to the elements shall bear the entire cost of furnishing the necessary protection against such elements.

3.7 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Supplemental Declaration is appurtenant to the land and is binding on such Owner's successors in title.

3.8 Damage and Destruction.

a. Should a Party Wall be damaged or destroyed by either the intentional or grossly negligent act of a Unit Owner (or its agent, contractor, employee, tenant, family member, licensee, guest or invitee), such Owner shall promptly and with due diligence repair or rebuild the Party Wall at such Owner's sole cost and expense, and shall compensate the Owner of the other Unit adjoining the Party Wall for any damages sustained to person or property as a result of such intentional or grossly negligent act. If the responsible Owner neglects or refuses either to make all such repairs or rebuild the Party Wall as required herein, or to pay all of such costs thereof in a timely and prompt manner, then the Owner of the adjoining Lot sharing the Party Wall may have the Party Wall repaired or rebuilt and shall be entitled, in addition to any other rights or remedies at law or in equity, to bring suit to recover the amount of such defaulting Owner's share of the repair and damage costs and the defaulting Owner shall also pay the other Owner's reasonable costs of collection including, without limitation, reasonable attorney's fees.

b. Should a Party Wall be damaged or destroyed by causes other than the intentional act or gross negligence of a Unit Owner (or its agent, contractor, employee, tenant, family member, licensee, guest or invitee), the damage or destroyed Party Wall shall be promptly and with due diligence repaired or rebuilt and the costs of reasonable repair and maintenance of the Party Wall shall be paid equally by the Owners of the Units adjoining the Party Wall; provided that the cost of repairs and maintenance of the stud wall that is adjacent to the two (2) inch fire wall which comprises a part of the Party Wall located on a Lot and of the interior finished surface of a Party Wall located in a Unit shall be the sole expense of the Owner of the Lot on which such stud wall and finished surface is located.

c. If a Party Wall is damaged or destroyed, such damage or destruction shall be promptly and with due diligence repaired and reconstructed by the Owner of the Units adjoining the Party Wall. Repair and reconstruction means restoration of the Party Wall to substantially the same condition in which it existed immediately prior to such damage or destruction. To the extent that such damage or destruction is covered by insurance, then the full insurance proceeds available to the Owner or Owners responsible for making the necessary repairs shall be used and applied to repair and reconstruction of the Party Wall.

d. All repairs must be completed as soon as practicable but not later than sixty (60) days after the event of damage or destruction or if longer than sixty (60) days is reasonably required to complete the repairs, then such longer time as is reasonably necessary as long as the Owner making the repairs has promptly commenced the repairs after the event of damage or destruction and diligently pursues the repairs to completion.

3.9. Cooperation. The Owners of the Units within a Townhome Building shall endeavor to reasonably cooperate with each other with respect to the decisions and the costs and expenses of the periodic reasonable repair, maintenance, reconstruction and replacement of exterior improvements to the Townhome Building, to the extent such activities affect more than one Unit, including, without limitation, repair or replacement of the common roof. In addition, the Owners of adjacent Units on each side of a Party Wall within a Townhome Building shall endeavor to reasonably cooperate with each other with respect to the decisions and the costs and expenses of the periodic reasonable repair, maintenance, reconstruction and replacement of the Party Wall. All exterior design projects or repairs shall be subject to review by the Architectural Review Committee in compliance with the Master Declaration. The Association may adopt policies, rules and regulations regarding the timing and nature of exterior maintenance and improvements to individual Units in Townhome Buildings to ensure that maintenance and improvements are undertaken in a coordinated manner which preserves and enhances the exterior appearance of the entirety of the Townhome Building.

3.10. Compliance with Law. All alterations, maintenance and repair work completed on or to a Lot, Unit or Townhome Building must conform with and meet applicable governmental building codes, safety codes, and design criteria established by the Architectural Review Committee, and it is the responsibility of the Owner or Owners thereof, and the person performing such work or causing such work to be performed to assure conformance.

3.11 Metropolitan District Property. All areas within the Property not owned or maintained by the Owners, shall be owned and maintained by the Metropolitan District, unless dedicated to a local governmental entity.

ARTICLE IV

MECHANIC'S LIENS

4.1 No Liability. If any Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon, no Owner of any other Unit shall, under any circumstances, be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Unit.

4.2 Indemnification. If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Townhome Building or against any other Owner's Unit or any other Owner (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by any surety company reasonably acceptable to the affected Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and save all other Owners harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

ARTICLE V

UTILITIES AND EASEMENTS

5.1 Utilities.

a. General. Each Lot has separate sewer, gas, water, electric and telephone, meters, hook-ups or service connections, and the payment of billings for each such utility service shall be the individual obligation of the Owner of the Unit to which the services were rendered. If any utility lines referred to in this Article are destroyed, damaged or become unusable, the Owner of the Lot which such line serves shall cause the same to be repaired and restored forthwith and shall bear the cost of the repair and restoration of such lines and repair all damage caused in connection with such work, such as restoration of landscaping; subject, however, to any rule of law regarding liability for gross negligence or willful acts or omissions of others.

b. Amendments. The obligations of the Owners and the Metropolitan District, as the same are set forth in this Supplemental Declaration and the Master Declaration, shall control, except and to the extent that (i) the obligations of the Owner, as set forth in Subsection a. above, are hereinafter expressly assumed and taken on by a special or metropolitan district or a homeowners' association on terms and conditions set forth in writing and recorded in the office of the Clerk and Recorder for the County, or (ii) the obligations of the Metropolitan District, are hereinafter assigned by the Metropolitan District to, and assumed by, another special or metropolitan district or a homeowner's association, or otherwise amended by the Metropolitan District as permitted by law or as otherwise agreed to by the Metropolitan District and Owners of the Lots within the Property.

5.2 Encroachment. If any portion of a Unit encroaches upon any other Lot or District Property, including any encroachment created by the construction, overhang, or overlapping of any exterior elements, a valid easement therefore shall exist for the encroachment and for the maintenance thereof. For example, roof shingles, roof tiles, siding or other components of the

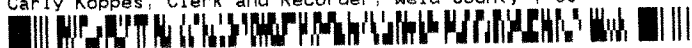


exterior building surfaces may overlap the common boundary between Units and be located partially on each of two adjoining Units. An easement is granted to each Unit Owner for any such encroachment created by the construction, overhang, or overlapping of any exterior elements of such Owner's Unit onto an adjoining Unit and for the maintenance, repair and replacement of any such exterior elements during reasonable hours after reasonable notice to the Owners or occupants of any affected Unit. This easement right may be exercised by a Unit Owner to the extent reasonably necessary to maintain, repair and replace those exterior elements of a Townhome Building that overlap, encroach or are located partially on such Owner's Unit and partially on an adjoining Unit. An Owner who exercises this easement for the purpose of maintenance, repair and replacement shall not cause any damage to the adjoining Unit and shall be responsible for any damage inflicted and liable for the cost of prompt repair. In the event a Unit or Units are partially or totally destroyed and then rebuilt, minor encroachment of either Unit upon the adjoining Lot due to such reconstruction shall be permitted and a valid easement therefore and for the maintenance thereof shall exist. The easement for encroachments does not relieve an Owner of liability in case of willful misconduct nor relieve an Owner for failure to materially adhere to plats and plans.

5.3 Maintenance Easement. There is created, and each Lot is subject to an easement in favor of the Owners, including their agents, employees, and contractors for providing any maintenance and repairs described in this Supplemental Declaration.

5.4 Walkway Easement.

a. Grant of Easement. Subject to the terms, covenants, agreements and conditions of this Article V, Section 4, and subject to the ownership of or maintenance by the Metropolitan District, Declarant does hereby declare, establish, create, reserve and grant a non-exclusive easement (the "Walkway Easement") across any sidewalks on the Property, if any, that provide for circulation between and among the Lots (other than sidewalks that serve solely as front or rear entry sidewalks for a Unit), for the purpose of pedestrian access, ingress and egress between, to and from each Lot. Such easement shall be appurtenant to and shall pass with the title to every Lot and shall run with said land. The Walkway Easement shall be perpetual in duration. The Walkway Easement is intended to benefit the Owners and the general public and shall be construed as granting use and access rights to the Owners and the general public subject to the rules and regulations of the Metropolitan District.



b. Right to Encumber. Each Owner of any Lot shall, at all times have the right to mortgage or encumber his Lot, as well as all of its right, title and interest hereunder in favor of and as additional security to the holder of such mortgage or deed of trust, provided that the Walkway Easement and other provisions of this Supplemental Declaration shall not be impaired by any foreclosure or deed in lieu of foreclosure of such security interest.

c. Indemnification. To the extent permitted by law, each Owner shall indemnify, hold harmless and defend the other Owners and the Metropolitan District, their successors and assigns from and against any claim or liability together with all cost or expense, including reasonable attorneys' fees, on account of injury, loss or damage of any kind whatsoever, which may be asserted by reason of or arising out of such party's use of the Walkway Easement and the exercise of any rights granted therewith whether or not such liability, claims, or demands alleged are groundless, false or fraudulent, provided, however, that such indemnity does not extend to any claim or liability caused by or due to the fault, negligence, or intentional misconduct of the indemnified party its officers, employees, members, managers, agents or assigns.

5.5 Utility Easements. There is hereby created a blanket easement upon, across, over, in and under the Property for the benefit of the Units, the Townhome Buildings, and the structures and improvements situated on the Property for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, cable television and electricity. Said blanket easement includes future utility services not presently available to the Units, which may reasonably be required in the future. By virtue of this easement, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Units and to affix and maintain electrical and/or telephone wires, circuits, conduits and pipes on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by the Architectural Review Committee as to locations.

5.6 Reservation of Easements, Exceptions and Exclusions. To the extent not already set forth in the Master Declaration, the Metropolitan District is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits or licenses over the Property including the Metropolitan District Property for the best interest of all the Owners and the Metropolitan District. Each Owner is hereby granted a perpetual non-exclusive right of ingress to and egress from the Owner's Unit over and across a common driveway, if any, and over and across the Metropolitan District Property adjacent to that Owner's Unit, which right shall be appurtenant to the Owner's Unit, and which right shall be subject to limited and reasonable restriction on the use of Metropolitan District Property set forth in writing by the Metropolitan District, such as for closure for repairs and maintenance.

5.7 Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

5.8 Recorded Easements. The Property shall be subject to all easements as shown on any Plat, those of record, written and recorded reciprocal easements and any other recorded document establishing an easement based on the agreement of the affected parties. Adjacent Lot owners having a common driveway, if any, shall have reciprocal easements for access to and maintenance of the shared driveway.

5.9 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, the Metropolitan District and/or for Owners in all future phases of the Liberty Draw PUD, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Property, together with the right to store materials on the Property, to build and maintain temporary walls, and to make such other use of the Property as may be reasonably necessary or incident to any construction of the Units, or improvements on the Property or other real property owned by Declarant, or other properties abutting and contiguous to the Property or located within a Metropolitan District as identified in the Master Declaration and Liberty Draw PUD; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment or access to the Property by the Owners

5.10 Parking. No parking behind townhome unit garages or in non-designated sections of shared alleyways will be allowed. Parking behind townhome garage units is not permitted. The alleyways which provide access to the townhome garages are not considered driveways and thus parking is not allowed.

ARTICLE VI

INSURANCE

6.1 Insurance Maintained by Owners. In addition to any other coverage or additional insurance the Owners of Lots may desire, the Owners of each Lot independently shall obtain and maintain at all times a policy of property insurance issued by a responsible insurance company authorized to do business in the State of Colorado in an amount equal to the full replacement value (i.e., 100% of current “replacement of cost” exclusive of the land, and other items normally excluded from coverage) of the Unit and other insurable improvements located on such Owner’s Lot, including, without limitation, that portion of any common roof that constitutes part of the Owner’s Unit, which policy shall include (i) a standard, non-contributory mortgagee clause in favor of the holder of the first mortgage or first deed of trust on such Lot, (ii) an “Agreed Amount

Endorsement” or its equivalent, (iii) a “Demolition Endorsement” or its equivalent, and (iv) if necessary, an “Increased Cost of Construction Endorsement” or “Contingent Liability from Operations of Buildings Laws Endorsement” or the equivalent. **Each Owner must fully insure such Owner’s Unit as provided above, including, without limitation, any portion of a common roof constituting such Owner’s Unit, as the Units are NOT insured under any other common insurance policy issued for the benefit of all of the Units.** Any such Owner’s policy of property insurance shall afford protection against at the least the following:

- a. Loss or damage by fire and other hazards covered by the standard, extended coverage endorsement and for debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and
- b. Such other risks as shall customarily be covered with respect to Units similar in construction, location and use.

6.2 Notice of Termination. If available, each insurance policy obtained by the Owner of a Lot providing coverage for such Lot must contain an endorsement to the effect that such policy will not be terminated for nonpayment of premiums without at least thirty (30) days’ prior written notice delivered to the other Owners of Units in the Townhome Building.

6.3 Certificates of Insurance. Upon reasonable written request, the Owner of each Lot shall deliver to the Owner of any other Lot in a Townhome Building, a certificate evidencing all insurance required to be carried under this Article. Further, each Owner has the right to require evidence of the payment of the required premiums thereon.

6.4 Reappraisal. Each Owner shall, at least once every three (3) years, obtain an appraisal of his Lot for insurance purposes, which shall be maintained as a permanent record reasonably available for inspection by other Owners after written request, showing that the insurance in effect for such Lot in any period represents one hundred percent (100%) of the full replacement values of the Unit and other insurable improvements on each Lot. Said appraisal shall be conducted by each Owner’s insurance agent.

6.5 Activities Increasing Insurance Rates. The Owners agree that no activities, other than uses permitted by this Supplemental Declaration and the Master Declaration, will be conducted on their respective Lots that have the potential to cause an increase the rate of insurance premiums, without the prior written consent of the other Owners.

6.6 Jointly Acquired Insurance. Nothing contained in this Article shall prevent two or more Owners from jointly acquiring one or more policies to cover two or more adjoining Lots owned by such Owners as to any one or more of the hazards required to be covered in this Article, or prevent Owners from cooperating with the other Owners in an attempt to acquire such policies, acquire coverage from the same carriers, or otherwise coordinating their efforts to minimize costs of coverage, deductibles, administrative difficulties, or other matters.

ARTICLE VII

DAMAGE OR DESTRUCTION

In the event of damage or destruction to a Unit or any other improvements on a Lot due to fire or other insured disaster or casualty, the Owner of such Lot, to the extent insurance proceeds are or will be available, shall promptly authorize the necessary repair and reconstruction work, and the insurance proceeds will be applied by that Owner to defray the cost thereof. “Repair and reconstruction” of a Unit, as used herein, means restoring the Unit and other improvements to substantially the same condition in which they existed prior to the damage, with the Unit having the same boundaries as before. Notwithstanding the foregoing, in the event that insurance proceeds maintained by the Owner of a Lot are not sufficient to repair or reconstruct such Owner’s Unit, or in the event that the holder of any first mortgage encumbering such Owner’s Lot determines not to make insurance proceeds available to such Owner for repair and reconstruction of his Unit, then the Owner of such damaged or destroyed Unit shall use other funds to repair and reconstruct his Unit or cause the same to be demolished, to enclose and weatherproof the Party Wall, to cause all debris and rubble caused by such demolition to be removed and to landscape the Owner’s Lot. The cost of such demolition and landscaping work shall be paid for by any and all insurance proceeds available, and to the extent insurance proceeds are unavailable, by the Owner.

ARTICLE VIII

ALTERNATIVE DISPUTE RESOLUTION

8.1 Alternative Dispute Resolution.

a. Definitions. As used in this Article VIII, the following terms have the meanings as set forth below: (i) “**Declarant**” means and includes Declarant, any director, officer, partner, shareholder, member, employee, agent, or representative of Declarant, any affiliate of Declarant (other than an affiliated mortgage lender) and any contractor, subcontractor, consultant, design professional, engineer, or supplier who provided labor, services or materials to the Project (as hereinafter defined) and who is bound or has agreed to be bound to the following dispute notification and resolution procedures; (ii) “**Dispute**” means any and all actions or claims by, between or among any Declarant party and any

Owner arising out of or in any way relating to the Project or any Lot or Unit therein, and/or any other agreements or duties or liabilities as between any Declarant party and an Owner relating to the development, construction or sale of any portion of the Project, or regarding the use or condition of any portion of the Project, or the design or construction of or any condition on or affecting the Project or any portion thereof, including without limitation construction defects, surveys, soils conditions, grading, specifications, installation of improvements, or disputes which allege strict liability, negligence or breach of implied, express or statutory warranties as to the condition of any portion of the Project or improvements thereon; (iii) “**Owner**” means the owner of any Lot within the Property, any individual or entities comprising Owner, any representative of an Owner acting with respect to such Owner’s rights (including without limitation any class representative or other representative acting on behalf of an Owner), and any successor or assign of an Owner with respect to any Lot, or any agreements or obligations with respect to Declarant or any portion of the Project; and (iv) “**Project**” means the Property, the Lots, the Units, the Townhome Buildings and other improvements thereon and the development, construction, marketing and sale of the Property, the Lots, the Units, the Townhome Buildings and other improvements thereon.

b. Arbitration of Disputes.

i. The Declarant and Owner(s) as parties to a Dispute shall comply with the following Alternative Dispute Resolution Provisions (“**ADR Provisions**”). All Disputes will be resolved by binding arbitration before a single arbitrator by submittal to Judicial Arbitrator Group, Inc. (the “**Arbitrator**”) in Denver, Colorado, or such other neutral, independent arbitration service that Declarant shall appoint. If an Owner objects to the arbitration service appointed by Declarant (but Owners shall have no right to object to the ADR Provisions), Owner must inform Declarant in writing within 10 days of Owner’s receipt of Declarant’s written notice informing Owner of the appointed arbitration service. Declarant will then appoint an alternative neutral arbitration service provider. If Owner objects to this alternative arbitration service provider and if Declarant and Owner are unable to agree on another alternative, then either party may, pursuant to the applicable provisions of the Uniform Arbitration Act, C.R.S. Section 13-22-20, *et seq.*, as amended, apply to a court of competent jurisdiction to designate an arbitration service provider, which designation shall be binding upon the parties. Selection of the arbitrator shall be the responsibility of Arbitrator or the appointed arbitration service, as applicable. The rules and procedures of the arbitration service that are in effect at the time the request for arbitration is submitted will be followed unless the parties expressly agree otherwise, and the applicable discovery and other time periods thereunder may be adjusted, as determined by the Arbitrator, in order to permit the prompt conclusion of the arbitration proceeding. The arbitration service

designated or finally appointed as aforesaid shall administer the arbitration or any and all Disputes required to be joined under the law.

ii. These ADR Provisions shall be governed by and interpreted under Colorado law pursuant to the Uniform Arbitration Act, C.R.S. Section 13-22-20, *et seq.*, now in effect and as it may be hereafter amended, and in accordance with the Colorado Rules of Civil Procedure, Rules 16, 26, 30, 33, 34, 36, and 56, unless the parties mutually agree to alternative arbitration procedures, and the applicable discovery and other time periods thereunder may be adjusted, as determined by the Arbitrator, in order to permit the prompt conclusion of the arbitration proceeding. The parties to the arbitration shall share equally in the Arbitrator's fees and expenses. The award of the Arbitrator shall be final and may be entered as a judgment in a court of competent jurisdiction. Unless otherwise recoverable by law or statute, each party shall bear its own costs (including expert's costs) and expenses, including attorneys' fees and paraprofessional fees for any arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees and paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition; if a party fails to abide by the terms of a settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

iii. These ADR Provisions are a self-executing arbitration agreement. Any Dispute concerning the interpretation or the enforceability of this Article VIII, including, without limitation, its revocability or voidability for any cause, any challenges to the enforcement or the validity hereof, or this Article VIII, or the scope of arbitrable issues under this Article VIII, and any defense relating to the enforcement of this paragraph, including, without limitation, waiver, estoppel, or laches, shall be decided by an Arbitrator in accordance with this Section and not by a court of law.

iv. The parties to this Supplemental Declaration expressly consent and agree that arbitration of any Dispute may, at the option of Declarant, include consolidation, joinder, or any other means to provide for joint participation of all parties involved in the Dispute and who are necessary in order to provide for the complete resolution of such Dispute.

c. Waiver of Litigation Rights. All persons bound and subject to the provisions of this Supplemental Declaration acknowledge and agree that by being bound to binding arbitration as provided in this Article VIII: (i) such Person, including each Owner, is giving up any rights it might possess to have a Dispute litigated in a court or jury trial; (ii) such person's discovery and appeal rights will be limited; (iii) an Owner's election to purchase a Lot subject to this Supplemental Declaration and these ADR Provisions is voluntary and the Owner understands its provisions; (iv) Declarant and each Owner will take all actions reasonably necessary to secure participation by such other necessary and proper parties in the dispute resolution procedures set forth herein; and (v) Declarant would not have sold the Lots without each Owner being bound to these ADR Provisions.

d. Choice of Law and Scope of Arbitrator's Authority. All Disputes shall be governed, interpreted and enforced according to the Uniform Arbitration Act, C.R.S. Section 13-22-20, *et seq.*, as amended, which is designed to encourage use of alternative methods of dispute resolution that avoid costly and potentially lengthy court proceedings. Interpretation and application of these procedures shall conform to Colorado court rulings interpreting and applying the Uniform Arbitration Act. The Arbitrator shall apply the laws of the State of Colorado, and the Arbitrator's award may be enforced in any court of competent jurisdiction. The Arbitrator shall have the authority to try and shall try all issues, whether of fact or law, including without limitation, the validity, scope and enforceability of these ADR Provisions, and may issue any remedy or relief that the courts of the State of Colorado could issue if presented the same circumstances.

e. Acknowledgment. BY ACCEPTANCE OF A DEED TO A LOT, EACH OWNER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE FOREGOING AND AGREES TO SUBMIT ANY DISPUTES OR CLAIMS OR CONTROVERSIES ARISING OUT OF THE MATTERS INCLUDED WITHIN THESE ADR PROVISIONS TO NEUTRAL BINDING ARBITRATION AS SPECIFIED IN THESE ADR PROVISIONS.

f. Disputes Under FHA/VA Warranty. Notwithstanding the provisions set forth above, this Article VIII shall not apply to the extent an Owner is issued a builder's limited warranty approved by the U.S. Department of Housing and Urban Development for issuance to certain Federal Housing Administration or Veterans Administration Financed Buyers ("FHA/VA Warranty"). With respect to all Disputes arising out of the FHA/VA Warranty ("FHA/VA Warranty Disputes"), Declarant and Owners shall comply with the dispute resolution procedures and provisions specified in the FHA/VA Warranty. The arbitration of FHA/VA Warranty Disputes shall not be mandatory. All other Disputes shall continue to be governed by the provisions set forth in this Article VIII, including, without limitation, the provisions requiring binding arbitration. However, in the event that

the Owner who is issued a FHA/VA Warranty files an action in a court of law regarding an FHA/VA Warranty Dispute while at the same time pursuing an arbitration for other Disputes, Declarant may elect to have all Disputes resolved in the court action.

g. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW AS TO ALL DISPUTES, OWNERS AND DECLARANT WAIVE ANY RIGHTS TO JURY TRIAL FOR SUCH DISPUTES EVEN IF THE ABOVE DESCRIBED ALTERNATIVE DISPUTE RESOLUTION PROCEDURES AND PROVISIONS ARE OTHERWISE FOUND UNENFORCEABLE. BY DELIVERY AND ACCEPTANCE OF A DEED TO A LOT, EACH OWNER AND DECLARANT MAKE THIS WAIVER KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND ACKNOWLEDGE THAT NO ONE HAS MADE ANY REPRESENTATION OF FACT TO INDUCE THEM TO MAKE THIS WAIVER OR IN ANY MANNER OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. SUCH PARTIES FURTHER ACKNOWLEDGE THAT PRIOR TO DELIVERY AND ACCEPTANCE OF A DEED THAT THEY HAVE HAD THE OPPORTUNITY TO BE ADVISED BY INDEPENDENT LEGAL COUNSEL IN CONNECTION WITH THIS COVENANT AND IN MAKING THIS WAIVER. EACH OWNER AND THE DECLARANT ACKNOWLEDGE HAVING READ AND UNDERSTOOD THE MEANING AND RAMIFICATIONS OF THIS JURY WAIVER AND INTEND THIS JURY WAIVER BE READ AS BROADLY AS POSSIBLE AND EXTEND TO ALL DISPUTES, AS DEFINED HEREIN.

h. Duration. The terms and provisions of this Article VIII shall automatically expire and be of no further force or effect with respect to any portion of the Property fifteen (15) years after conveyance of the last Lot by Declarant or its successors.

ARTICLE IX

GENERAL CONDITIONS, STIPULATIONS AND PROTECTIVE COVENANTS

9.1 The following general conditions, stipulations and protective covenants are hereby imposed upon the Property:

a. Compliance with Ordinances. The Owners of each Lot shall comply with all zoning, use and occupation ordinances of the City.

b. Covenants Run with the Land. The covenants and restrictions of this Supplemental Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners of the Lots, their respective legal representatives, heirs, successors, and assigns in perpetuity from the date this Supplemental Declaration is recorded.

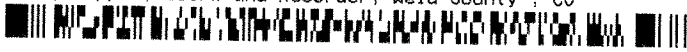
c. Amendment. The terms, provisions, covenants and restrictions of this Supplemental Declaration, except for Article VIII, may be amended, modified or terminated by an instrument signed by the Owners holding fee title to not less than sixty seven percent (67%) of the Lots and by their first mortgagees of record, if any, and provided, however, that at all times that Declarant owns any Lots, no such amendment, modification or termination shall be effective unless also signed by Declarant. All amendments shall be of uniform application with respect to all Units and Unit Owners and shall be applied on a non-discriminatory basis. The terms, provisions, covenants and restrictions of Article VIII of this Supplemental Declaration, may only be amended, modified or terminated before it automatically expires by an instrument signed by (i) the Owners holding fee title to not less than sixty seven percent (67%) of the Lots and by their first mortgagees of record, and (ii) Declarant. Any amendment shall be recorded in the Office of the Clerk and Recorder of the County.

9.2 Severability. If any of the provisions of this Supplemental Declaration or any paragraph sentence, clause, phrase or word, or the application thereof in any circumstances shall be invalid or invalidated, but such invalidity shall not affect the validity of the remainder of this Supplemental Declaration, the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

9.3 Use of Singular and Plural. That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

9.4 Notices. All notices or demands intended to be served upon an Owner shall be sent by registered or certified mail, postage prepaid, addressed in the name of the Owner at such address as maintained by the Assessor of the County for the purpose of property tax notices. In the alternative, notices may be delivered, if in writing, personally to an Owner.

9.5 Payment of Taxes or Other Charges. Any first mortgagee of any Lot within the Property may pay any taxes or other charges against such Lot which are in default and which may or have become a charge against such Lot thereof and may pay overdue premiums for hazard insurance policies or secure new hazard insurance coverage in the lapse of such policy for such Lot and any first mortgagee upon the making of such a payment shall be immediately owed



reimbursement therefore from the defaulting Owner and shall otherwise be entitled to the rights of enforcement herein granted.

9.6 Mortgagee Protection. This Supplemental Declaration and the rights, obligations, covenants, conditions, restrictions, easements and liens provided for hereunder are superior and senior to any lien placed upon any Lot after the recordation of this Supplemental Declaration, including the lien of any mortgage or deed of trust. No violation of this Supplemental Declaration will defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but the covenants, conditions, restrictions and easements hereunder are binding upon and effective against any person (including any mortgagee or beneficiary under a deed of trust) who acquires title to any Lot, or interest therein, by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

9.7 Declarant's Use. Notwithstanding anything to the contrary contained in this Supplemental Declaration, it is permissible and proper for Declarant and its employees, agents and contractors, to perform such reasonable activities, and to maintain upon portions of the Lots such facilities as Declarant deems reasonably necessary or incidental to the development, construction and sale of Units and other improvements on the Lots, specifically including, without limiting the generality of the foregoing, maintaining signs, construction offices and trailers in such numbers, of such sizes, and at such locations as Declarant determines in its reasonable discretion from time to time. Nothing in this Supplemental Declaration limits the rights of the Declarant to conduct construction, repair, sales and marketing activities as the Declarant deems necessary or desirable in its sole discretion and to use the easements provided in this Supplemental Declaration or otherwise of record for those and other purposes. Further, nothing in this Supplemental Declaration shall require Declarant to seek or obtain the approval of any other Owner for any such activity. Notwithstanding the foregoing, the Declarant will not perform any activity or maintain any facility on any portion of the Lots in such a way as to unreasonably interfere with the use, enjoyment or access of such Owner, of and to the Owner's Lot and to a public right-of-way.

9.8 Withdrawal. The Declarant reserves the right to withdraw the Property, or any portion thereof, including one or more Lots, from this Supplemental Declaration, so long as the Declarant owns the portion of the Property to be withdrawn and that each portion of the Property to be withdrawn constitutes or is intended to constitute land for an entire Townhome Building. Each withdrawal, if any, may be effected by the Declarant recording a withdrawal document in the office of the Clerk and Recorder of the County. A withdrawal as contained in this paragraph constitutes a divestiture, withdrawal, and de-annexation of the withdrawn real estate (including appurtenant improvements) from this Supplemental Declaration so that, from and after the date of recording a withdrawal document, the real estate (including improvements so withdrawn) shall not be part of the "Property." This Section shall be in effect until conveyance of all the Units to the



first Owners thereof, other than the Declarant or any builder who has purchased a Lot or Lots from Declarant for the sole purpose of constructing residential dwellings thereon for sale to the general public.

[Remainder of page intentionally left blank.]

Exhibit A

Property Description

Lots 1-10, Block 1; Lots 1-8, Block 2; Lots 1-15, Block 3; Lots 1-9, Block 4; Lots 1-5, Block 10;
Lots 1-14, Block 11; Lots 1-20, Block 12 and Lots 1-35, Block 13 of the Liberty Draw
Subdivision Filing No. 1 as recorded in the offices of the Weld County Clerk and Recorder on
February 28, 2023 at Reception Number 4883996