

CHAFFEE COUNTY, SALIDA CO REC \$176.00
JOYCE M. RENO, COUNTY CLERK AND RECORDER

01/11/2005 RECPT-348398
02:25:00PM 1 OF 35

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS FOR
COTTONWOOD GREEN SUBDIVISION
CITY OF SALIDA, CHAFFEE COUNTY, COLORADO**

TABLE OF CONTENTS

	Page
1. CREATION OF COMMON INTEREST COMMUNITY	5
1.1. <u>General Purposes</u>	5
1.2. <u>Declaration</u>	5
1.3. <u>Names of the Common Interest Community and the Association</u>	5
1.4. <u>Location and Type of Common Interest Community</u>	5
1.5. <u>Planned Community</u>	5
2. PROPERTY OWNERS ASSOCIATION	6
2.1. <u>Rights, Duties, Privileges, Powers, and Obligations</u>	6
2.2. <u>Declarant Control of the Association</u>	7
2.3. <u>Purpose of Association</u>	8
2.4. <u>Assessments</u>	8
2.5. <u>Common Areas</u>	9
3. DESIGN REVIEW COMMITTEE	9
3.1. <u>Guidelines</u>	9
3.2. <u>Committee</u>	10
3.3. <u>Organization and Operation of Committee</u>	11
3.4. <u>Expenses</u>	12
3.5. <u>Other Requirements</u>	12
3.6. <u>Limitation of Liability</u>	12
3.7. <u>Enforcement</u>	13
3.8. <u>Continuity of Construction</u>	14
4. PROPERTY USE RESTRICTIONS	14
4.1. <u>General Restriction</u>	14
4.2. <u>Residential Use of Lots</u>	14
4.3. <u>Residences, Outbuildings, and Garages</u>	16
4.4. <u>Building Envelope Area</u>	16
4.5. <u>Fencing</u>	16
4.6. <u>No Partition or Subdivision</u>	16
4.7. <u>Combining Lots</u>	16
4.8. <u>Maintenance Guidelines</u>	16
4.9. <u>Motorized Vehicles</u>	17
4.10. <u>Abandoned, Inoperable, or Oversized Vehicles</u>	17
4.11. <u>Electrical, Television and Telephone Service</u>	17
4.12. <u>Animals and Pets</u>	18
4.13. <u>Animal Housing</u>	18
4.14. <u>Drainage</u>	18
4.15. <u>Trash and Garbage</u>	18
4.16. <u>Composting</u>	19
4.17. <u>Dumping</u>	19
4.18. <u>Firewood</u>	19
4.19. <u>Signage</u>	19
4.20. <u>Outside Clothesline</u>	19
4.21. <u>Antennae</u>	19
4.22. <u>Lighting</u>	19
4.23. <u>Chemicals</u>	19
4.24. <u>House Numbers</u>	19

4.25	<u>Mailboxes</u>	20
4.26	<u>Nuisance</u>	20
4.27	<u>Sound</u>	20
4.28	<u>Swimming Pools</u>	20
4.29	<u>Mining</u>	20
5.	OWNERS' OBLIGATIONS FOR MAINTENANCE.....	20
5.1.	<u>Owner's Responsibility for Lot</u>	20
6.	ASSESSMENTS.....	21
6.1.	<u>Personal Obligation for Assessments</u>	21
6.2.	<u>Annual Assessments</u>	21
6.3.	<u>Special Assessments</u>	22
7.	ENFORCEMENT OF ASSESSMENTS.....	22
7.1.	<u>Nonpayment of Assessments</u>	22
7.2.	<u>Successors' Liability for Assessment</u>	23
7.3.	<u>Liens for Unpaid Assessments</u>	23
8.	INSURANCE AND ASSUMPTION OF RISK.....	24
8.1.	<u>Authority to Purchase</u>	24
8.2.	<u>General Insurance Provisions</u>	24
8.3.	<u>Physical Damage Insurance on Common Area</u>	24
8.4.	<u>Liability Insurance</u>	25
8.5.	<u>Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance</u>	26
8.6.	<u>Personal Liability Insurance of Officers and Directors</u>	27
8.7.	<u>Workmen's Compensation Insurance</u>	27
8.8.	<u>Other Insurance</u>	27
8.9.	<u>Insurance Obtained by Owners</u>	27
8.10	<u>Security and Safety</u>	27
9.	SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED DEVELOPMENT RIGHTS AND EASEMENTS.....	28
9.1.	<u>Future Street Connection</u>	28
9.2.	<u>Reservation of Withdrawal Rights</u>	28
9.3.	<u>Other Reserved Rights</u>	28
9.4.	<u>Termination of Rights Reserved</u>	28
9.5.	<u>Utility Easements</u>	29
9.6.	<u>Maintenance Easement</u>	29
9.7.	<u>Drainage Easement</u>	29
9.8.	<u>Emergency Access Easement</u>	30
9.9.	<u>Easements</u>	30
9.10.	<u>Golf Course Easements</u>	30
10.	ENFORCEMENT.....	31
10.1.	<u>Violation Deemed a Nuisance</u>	31
10.2.	<u>Failure to Comply</u>	31
10.3.	<u>Who May Enforce</u>	32
10.4.	<u>No Waiver</u>	32
10.5.	<u>Attorneys' Fees</u>	32
11.	DURATION OF THESE COVENANTS AND AMENDMENT.....	32
11.1.	<u>Amendment</u>	32

CHAFFEE COUNTY, SALIDA CO REC \$176.00
JOYCE M. RENO, COUNTY CLERK AND RECORDER

01/11/2005 RECPT-348398
02:25:00PM 4 OF 35

11.2. <u>Declarant's Approval</u>	32
11.3. <u>Notice of Amendment</u>	33
11.4. <u>Effective on Recording</u>	33
12. MISCELLANEOUS PROVISIONS	33
12.1. <u>Severability</u>	33
12.2. <u>Limitation of Liability</u>	33
12.3. <u>Conflicts Between Documents</u>	33
12.4. <u>Assignment</u>	33

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR
COTTONWOOD GREEN SUBDIVISION,
CITY OF SALIDA, CHAFFEE COUNTY, COLORADO**

This Declaration is made this 10th day of January, 2005 by WOODLAND, INC., a Colorado corporation, of P.O. Box 786, Salida, Colorado 81201, (herein "the Declarant").

1. CREATION OF COMMON INTEREST COMMUNITY

1.1. **General Purposes.** Declarant owns the real property interests legally described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Property"). Declarant desires to create pursuant to the provisions of the Colorado Common Interest Ownership Act (Article 33.3 of Title 38 of Colorado Revised Statutes) as the same may be amended from time to time (the "Act") a "common interest community" (as such term is defined in the Act) on the Property. Declarant further desires to establish a means to ensure the proper use and appropriate development of the Property as a high quality, aesthetically pleasing and harmoniously designed planned community project by means of mutually beneficial covenants, conditions and restrictions imposed on the Property for the benefit of Declarant and all future Owners of any portion of the Property.

1.2. **Declaration.** To further the purposes expressed in Section 1.1 hereof, Declarant, for itself and its successors and assigns, hereby declares that the Property shall, at all times, be owned, held, used and occupied subject to the provisions of this instrument, to the covenants, conditions and restrictions contained herein and to all amendments and supplements hereto.

1.3. **Names of the Common Interest Community and the Association.** The name of the common interest community hereby created is Cottonwood Green Subdivision (the "Subdivision"). The name of the unit owners' association organized to govern and administer the common interest community hereby created is Cottonwood Green Association, Inc., a Colorado nonprofit corporation (the "Association").

1.4. **Location and Type of Common Interest Community.** The common interest community hereby created is situated in the City of Salida, Chaffee County, Colorado. The common interest community hereby created is a "Planned Community" (as such term is defined in the Act).

1.5. **Planned Community.**

(i) The Property is hereby divided into 43 Lots.

(ii) All Lots shall be limited to one single-family dwelling per Lot; except Lots

14, 15, 16, 29, 30, and 31 may have one principal structure containing up to three (3) separate single-family dwelling units on each of these Lots. The structures on each of Lots 14, 15, 16, 29, 30, and 31 may be condominiums formed by the Declarant or its successors and assigns, including subsequent purchasers. Any condominium project may include one or more of these Lots; however, the restriction on the type of structure permitted on each Lot shall apply.

(iii) Declarant reserves the right to expand the Subdivision to a maximum number of Lots; provided, however, the Declarant reserves the right to subdivide Lots (and thereby create additional Lots up to the maximum number allowed by any governmental entity having jurisdiction over the Property, i.e. the "Maximum Lots") and to combine Lots, all as more particularly set forth in this Declaration.

(iv) As set forth above, and in accordance with Section 4.7 herein, the Declarant specifically reserves the right to combine Lots 31 and 32, subject to approval by the City of Salida, if necessary. The resulting Lot may have one principal structure containing up to four (4) separate single-family dwelling units which may be a condominium.

2. PROPERTY OWNERS ASSOCIATION

2.1. Rights, Duties, Privileges, Powers, and Obligations. Cottonwood Green Association, Inc., a Colorado nonprofit corporation, shall exercise all of the rights, duties, privileges, powers, and obligations as set forth in this Declaration and the Articles of Incorporation, Bylaws, Design Guidelines, and Rules and Regulations of the Association (herein referred to as the "Association Documents").

2.1.1. General Purposes and Powers. The Association through the Executive Board (also referred to as "Board of Directors" or "Board") shall perform functions and hold and manage property as provided in this Declaration so as to further the interests of Owners of Lots in the Subdivision. The Association shall have all the powers necessary or desirable to effectuate such purposes.

2.1.2. Membership and Voting. The Owner of a Lot shall automatically be a member of the Association. Said membership is appurtenant to the Lot of said Owner, and title to the ownership of the membership for that Lot shall automatically pass with fee simple title to the Lot. If the fee simple title to a Lot is held by more than one person, the membership as to such Lot shall be joint, and a single membership for such Lot shall be issued in the names of all Owners, or in the case of a condominium Lot, in the name of the condominium association, and they shall designate to the Association in writing the name of one natural person 18 years of age or older who shall have the power to vote said membership at any meeting of members. Membership in the Association shall be limited to Owners of Lots in the Subdivision, and each Lot shall be entitled to the voting rights allocated to that Lot in the Bylaws.

2.1.3. Executive Board. The affairs of the Association shall be managed by an Executive Board which may by resolution delegate any portion of its authority to an Executive Committee or to a Managing Agent for the Association. There shall be no fewer than three Members of the Executive Board, the specific number to be set forth from time to time in the Bylaws, all of whom shall be Owners of a Lot, except Members appointed by the Declarant.

2.1.4. Bylaws and Articles. The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Association Documents.

2.2. Declarant Control of the Association.

2.2.1. There shall be a period of Declarant control of the Association, during which Declarant, or Persons designated by the Declarant, may appoint and remove the officers of the Association and Members of the Executive Board. The period of Declarant control shall terminate no later than the earlier of:

(i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created in the Common Interest Community to Lot Owners other than Declarant; or

(ii) Two (2) years after the last conveyance of a Lot by the Declarant in the ordinary course of business.

2.2.2. Declarant may voluntarily surrender the right to appoint and remove officers of the Association and Members of the Executive Board before termination of the period described above. In that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

2.2.3. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots that may be created to Lot Owners other than Declarant, at least one Member and not less than twenty-five percent (25%) of the Members of the Executive Board shall be elected by Lot Owners other than the Declarant. Not later than 60 days after conveyance of fifty percent (50%) of the Lots that may be created to Lot Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the Members of the Executive Board must be elected by Lot Owners other than the Declarant.

2.2.4. Not later than the termination of any period of Declarant control, the Lot Owners shall elect an Executive Board of at least three Members, at least a

majority of whom shall be Lot Owners other than the Declarant. The Executive Board shall elect the officers.

2.2.5. Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice under C.R.S., § 38-33.3-308, the Lot Owners, by a vote of sixty-seven percent (67%) of all Lot Owners present and entitled to vote at a meeting of the Lot Owners at which a quorum is present, may remove a Member of the Executive Board with or without cause other than a member appointed by the Declarant.

2.3. Purpose of Association. The purpose of the Association is to use its authority, as given in the Bylaws.

2.3.1. To enforce the protective covenants.

2.3.2. To assess Lot Owners annual assessments.

2.3.3. To provide upkeep and maintenance to all common ownership lands in the Property and to maintain other facilities on the Property.

2.3.4. To represent all Lot Owners in matters of mutual interest.

2.4. Assessments. The purposes of the assessments shall include, but not be limited to:

2.4.1. Repairs and maintenance of common areas within the Property, except for damage caused by the negligence, misuse or tortuous act of an Owner or the Owner's agents or guests.

2.4.2. Expenses of management of the Association and its activities;

2.4.3. Taxes and special assessments upon the Associations' real and personal common property.

2.4.4. Premiums for all insurance which the Association is required or permitted to maintain;

2.4.5. Common services to Lot Owners as approved by the Board;

2.4.6. Wages for Association employees and payments to Association contractors;

2.4.7. Legal and accounting fees for the Association;

2.4.8. Any deficit remaining from a previous Assessment year;

2.4.9. The creation of reasonable contingency reserves for future maintenance expenses and administrative expenses;

2.4.10. Initiating and maintaining appropriate sediment, erosion, and weed controls;

2.4.11. Such other expenses that benefit Lot Owners in common.

2.5. Common Areas.

2.5.1. General Common Areas shall include Lot A, Lot B, Lot C, and the Path shown on the Plat of Cotton Wood Green Subdivision (herein the "Plat"). Lot A, Lot B, and Lot C shall be for the use and enjoyment of all the Owners for the limited purposes set forth herein. Lot A, Lot B, and Lot C shall be maintained as open space. Structures shall be prohibited. Use of Lot A, Lot B, and Lot C shall be governed by the Rules and Regulations adopted by the Board.

2.5.2. Dedication of General Common Areas. All General Common Areas within Cottonwood Green Subdivision are intended for the common use and enjoyment by the Owners within Cottonwood Green Subdivision. The General Common Areas are hereby dedicated to the above and foregoing uses for the Owners, their families, tenants, employees, guests, and invitees under the terms and conditions contained in the Association Documents.

2.5.3. Management of General Common Areas. The Association shall be responsible for the management and control of the General Common Areas and all improvements thereon, and shall keep them in a good, clean, attractive and pleasant condition and shall landscape, maintain, and repair the same consistent with the purposes and uses of the General Common Areas as set forth in the Association Documents.

2.5.4. Maintenance of Medians. The Association shall keep the medians on the roads within the Property in good, clean and attractive and shall landscape the medians.

3. DESIGN REVIEW COMMITTEE

3.1. Guidelines. The Board of Directors shall establish an architectural control policy and guidelines ("Design Guidelines"). The Board may amend, repeal, and augment the Design Guidelines from time to time, in the Board's sole discretion. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may remove

requirements previously imposed or otherwise make the Design Guidelines less restrictive. The Design Guidelines will be binding on all Owners and other persons governed by this Declaration. The Design Guidelines may include, among other things, those restrictions and limitations set forth below:

3.1.1. Procedures for making application to the Design Review Committee (herein "the Committee") for design review approval, including the documents to be submitted and the time limits in which the Committee must act to approve or disapprove any submission.

3.1.2. Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required under the Design Guidelines.

3.1.3. Designation of the Building Site on a Lot or Tract.

3.1.4. Minimum and maximum square foot areas of living space that may be developed on any Lot.

3.1.5. Landscaping regulations, with limitations and restrictions prohibiting the removal or requiring the replacement of existing trees, the use of plants indigenous to the locale, and other practices benefiting the protection of the environment, aesthetics and architectural harmony of Cottonwood Green Subdivision. Landscaping will be prosecuted diligently to completion and will be completed within the time frames set forth in the Design Guidelines.

3.1.6. General instructions for the construction, reconstruction, refinishing or alteration of any Improvement, including any plan to excavate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Property, addressing matters such as loading areas, waste storage, trash removal, equipment and material storage, grading, transformers, and utility meters.

3.2. Committee. There is hereby established a Design Review Committee, which will be responsible for the administration of Design Guidelines to facilitate the purposes and intent of this Declaration.

3.2.1. Committee Membership. The Board of Directors shall appoint the Design Review Committee to administer the architectural approvals required pursuant to the Declaration. It shall consist always of either three (3) or five (5) members. Absent a specific appointment by the Board, the members of the Board shall be the members of the Design Review Committee. The Board may reduce the number of members of the Design Review Committee to three and increase it to five as often as it wishes. Members of the Design Review Committee may be removed at any time without cause by the

Board of Directors. From among the members of the Design Review Committee, the Board may appoint a Chairman of the Design Review Committee who shall coordinate the operation of the Design Review Committee.

3.2.2. Purpose and General Authority. The Committee will review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the Design Guidelines and such rules and regulations as the Committee may establish from time to time to govern its proceedings. No Improvement will be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor will any construction, repair or reconstruction be commenced until plans for the Improvements shall have been approved by the Committee; provided, however, that Improvements that are completely within a Building may be undertaken without such approval, except as set forth in the Design Guidelines. All Improvements will be constructed only in accordance with approved plans.

3.2.3. Committee Discretion. The Committee will exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, garage placement, quality and type of construction, seals, materials, color, location on the Building Site, height, grade and finished ground elevation, and the schemes and aesthetic considerations of Cottonwood Green Subdivision. The Committee, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

3.3. Organization and Operation of Committee.

3.3.1. Term. The term of office of each member of the Committee, subject to Section 3.2.1., will be two (2) years, and continuing until his successor shall have been appointed. Should a Committee member die, retire, or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed.

3.3.2. Operations. The Committee chairman will take charge of and conduct all meetings and will provide for reasonable notice to each member of the Committee prior to any meeting. The notice will set forth the time and place of the meeting, and notice may be waived by any member.

3.3.3. Voting. The affirmative vote of a majority of the members of the Committee will govern its actions and be the act of the Committee.

3.3.4. Expert Consultation. The Committee may avail itself of technical and professional advice and consultants as it deems appropriate, and the Committee may delegate its plan review responsibilities, except final review and approval, to one or more of its members or to consultants retained by the Committee. Upon that delegation, the approval or disapproval of plans and specifications by such member or consultant will be equivalent to approval or disapproval by the entire Committee.

3.4. Expenses. Except as provided in this section below, all expenses of the Committee will be paid by Cottonwood Green Association, Inc. and will constitute a Common Expense.

3.5. Other Requirements. Compliance with Cottonwood Green Association, Inc. design review process is not a substitute for compliance with the City of Salida building, zoning, and subdivision regulations, and any other applicable state, federal, or local code or regulation. Each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to commencing construction.

Further, the establishment of the Design Review Committee and procedures for architectural review will not be construed as changing any rights or restrictions upon Owners to maintain and repair their Lots and Improvements as otherwise required under the Cottonwood Green Association Documents.

3.6. Limitation of Liability. The Committee will use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Committee, the Association, the Board, nor any individual Committee member will be liable to any person for any official act of the Committee in connection with submitted plans and specifications. Approval by the Committee does not necessarily assure approval by the appropriate governmental board or commission for the City of Salida. Notwithstanding that the Committee has approved plans and specifications, neither the Committee nor any of its members will be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval or denial of the construction of the Improvements. Neither the Board, the Design Review Committee, nor any agent thereof, nor Declarant, nor any of its partners, employees, agents, or consultants will be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Cottonwood Green Association Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Committee will be defended and indemnified by Cottonwood Green Association, Inc. in any such suit or proceeding which may arise by reason of the Committee's decision.

3.7. Enforcement.

3.7.1. Inspection. Any member or authorized consultant of the Design Review Committee, or any authorized officer, Director, employee or agent of Cottonwood Green Association, Inc. may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect Improvements constructed or under construction on the Lot to determine whether the Improvements have been or are being built in compliance with the Cottonwood Green Association Documents and the plans and specifications approved by the Design Review Committee.

3.7.2. Completion of Construction. Before any Improvements on a Lot may be occupied, the Owner of the Lot will be required to obtain a temporary certificate of compliance issued by the Design Review Committee indicating substantial completion of the Improvements in accordance with the plans and specifications approved by the Committee, and imposing such conditions for issuance of a final certificate of compliance issued by the Design Review Committee as the Committee may determine appropriate in its reasonable discretion. Without limiting the generality of the preceding sentence, the Committee may require that the Owner deposit with the committee such sums as may be necessary to complete the construction and landscaping on the Lot by a specified date. If the construction and landscaping is not completed as scheduled, the Committee may apply the deposit to cover the cost of completing the work and enforce such other remedies as are available to Cottonwood Green Association, Inc. for the failure of the Owner to comply with these covenants, including without limitation the remedies set forth in Section 3.7.3.

3.7.3. Certificate of Compliance. Upon completion of construction, the Committee will issue an acknowledged certificate of compliance setting forth generally whether, to the best of the Committee's knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Design Guidelines.

(i) Fines for Violations. The Board may adopt a schedule of fines for failure to abide by the Committee rules and the Design Guidelines, including fines for failure to obtain any required approval from the Committee.

(ii) Removal of Nonconforming Improvements. Cottonwood Green Association, Inc., upon request of the Committee and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants. The Owner of the Improvement will immediately reimburse Cottonwood Green Association, Inc. for all expenses incurred in connection with such removal.

3.8. Continuity of Construction. All Improvements commenced on the Lot will be prosecuted diligently to completion and will be completed within eighteen (18) months after commencement, unless an exception is granted in writing by the Committee. If an Improvement is commenced and construction is then abandoned for more than ninety (90) days, or if construction is not completed within the required eighteen (18) month period, then after notice and opportunity for hearing, Cottonwood Green Association, Inc. may impose a fine of not less than \$100.00 per day (or such other reasonable amount as Cottonwood Green Association, Inc. may set) to be charged against the Owner of the Lot until construction is resumed, or the Improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board of Directors that such abandonment is for circumstances beyond the Owner's control.

4. PROPERTY USE RESTRICTIONS

4.1. General Restriction. The Property will be used only for the purposes set forth in these Covenants, as permitted by the applicable ordinances of the City of Salida and the laws of the State of Colorado and the United States, and as set forth in the Cottonwood Green Association Documents or other specific recorded covenants affecting all or any part of the Property.

4.2. Residential Use of Lots.

4.2.1. Lots and improvements located thereon may only be used for residential purposes, except that Declarant may conduct sales and construction activities.

4.2.2. Subject to Board approval on an annual basis, residential purposes may include home occupations and long term rentals (for a lease term of no less than 12 months) of Lot improvements for residential purposes. Other restrictions and limitations on the use of any part of any Lot or structure thereon for rentals may be adopted by the Board in Rules and Regulations of the Association. No business may be conducted on any Lot, except an Owner or occupant residing on a Lot may conduct business activities within the residence so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the residence; (ii) the business activity conforms to all zoning requirements for the Subdivision; (iii) the business activity does not involve door-to-door solicitation of residents of the Subdivision; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Subdivision which is noticeably greater than that which is typical of residences in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety or other residents of the Subdivision, as may be determined in the sole discretion of the Board. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any

occupation; work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit, or (iii) a license is required. This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of the Subdivision or its use of any Lots which it owns within the Subdivision.

4.3. Residences, Outbuildings, and Garages.

4.3.1. Single-family residences constructed on any Lot shall be required to contain a minimum square footage of 1,800 square feet of living area exclusive of decks, porches, and garages. Any permitted structure containing more than one single-family dwelling unit (as set forth in Section 1.5 above) shall have a minimum square footage of 1,400 square feet per dwelling unit exclusive of decks, porches, and garages. Other conditions, restrictions, and limitations regarding minimum square footage may be set forth in the Design Guidelines.

4.3.2. No exterior surface of any residence, or structure, constructed on any Lot may be of metal construction, except for roofs, which may be metal, but may not be "barn tin".

4.3.3. No mobile home, portable home, or modular home shall be permitted to be placed on any Lot.

4.3.4. No residence shall be occupied prior to completion, and there shall be no temporary living quarters constructed on any Lot. No trailer, basement, tent, shack, garage, barn or other outbuilding erected on any Lot shall not at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

4.3.5. The design of garages shall be governed by the Design Guidelines. Garages which protrude excessively from the main structure and otherwise dominate the front elevation shall be prohibited. The design, placement, and location of any detached garage must be approved by the Committee in accordance with the Design Guidelines.

4.3.6. The height of all residences and other structures shall be governed by the restrictions and limitations set forth in the Design Guidelines.

4.3.7. Outbuildings, including, but not limited to, gazebos, tool sheds, and greenhouses, shall not be constructed on any Lot unless approved by the Committee in accordance with the Design Guidelines.

4.3.8. All permitted structures located on a Lot shall be of similar design and construction so that their appearance is reasonably uniform within the Lot.

4.4. Building Envelope Area. All Lots shall be subject to the setbacks and/or building envelope area limitations as shown on the Plat of Cottonwood Green. Except for one driveway, not to exceed fourteen (14) feet in width Lot, any roadway, driveway, access of any kind, buildings and structures shall be limited to said building envelope area, with said driveway to intersect the roadway at a ninety (90) degree angle. Each Lot of the Cottonwood Green Subdivision shall be permitted one (1) driveway.

4.5. Fencing. The design, material, height, location and construction of all fences must be approved by the Design Review Committee. Permitted fencing shall comply with City of Salida regulations. Fencing must be aesthetically pleasing and be of similar design to all other fencing within the Subdivision.

4.6. No Partition or Subdivision. No action shall be brought for partition or subdivision of a Lot between or among the Owners thereof. Each Owner hereby expressly waives any and all such rights of partition or subdivision he may have by virtue of his ownership of a Lot. Nothing in this subsection shall prohibit Declarant or an Owner from subdividing a Lot for the sole purpose of annexing all subdivided portions of such Lot to other adjacent Lots, in which event, the share of the Common Expenses of such subdivided Lot shall be added proportionally to the Lots receiving all or a portion of such subdivided Lot. This restriction shall not prohibit condominiums on Lots 14, 15, 16, 29, 30, and 31.

4.7. Combining Lots. Combining Lots shall not be permitted without written approval of the Board. If an Owner combines two or more Lots with the intent of creating one Lot therefrom, such resulting Lot shall continue to have the full share of Common Expenses originally assigned to the Lots so combined.

4.8. Maintenance Guidelines:

4.8.1. All portions of a Lot which are not improved by an impervious surface or a structure must be maintained with landscaping, which may include xeriscaping, approved by the Committee. No bare earth may be exposed on a Lot (except for flower beds or vegetable gardens with appropriate approvals as required).

4.8.2. All turf areas on a Lot must be kept neatly mowed during the growing season. Grass should not be permitted to exceed six (6) inches in height.

4.8.3. Turf areas and other vegetation should be watered during dry periods. Any dead plants, shrubs or trees should be immediately removed.

4.8.4. Turf areas should be kept as weed free as possible. At no time should weed cover exceed more than twenty-five percent (25%) of the total turfed area.

4.8.5. Construction materials required for the improvement of a home or Lot should be neatly stored in as unobtrusive a location on the Lot as possible when not in use.

4.8.6. All hedges, trees and shrubs must be neatly trimmed and maintained and their size maintained in proportion to the Lot and home through pruning.

4.8.7. The exterior of a home must be maintained in an attractive manner. No significant blistering or peeling of exterior painted surfaces is permitted.

4.8.8. Any exterior building components (i.e., siding, gutters and downspouts, roof shingles, windows and doors) which are missing, broken or otherwise in a state of disrepair must be repaired as quickly as possible.

4.9. Motorized Vehicles. No trucks, motorized trail bikes, recreational vehicles, motor homes, motor coaches, snowmobiles, campers, trailer, boats or boat trailers or similar vehicles other than passenger automobiles or pickup or utility trucks with a capacity of one ton or less or any other motorized vehicles will be parked, stored or in any manner kept or placed on any portion of the Lot except in an enclosed garage. Notwithstanding this restriction, the Design Committee may grant exception(s) where it is deemed that the vehicle is in harmony with its surroundings.

4.10. Abandoned, Inoperable, or Oversized Vehicles. No abandoned or inoperable vehicles of any kind will be stored or parked on any portion of the Lot, except as provided below. "Abandoned or inoperable vehicle" is defined as any vehicle which has not been driven under its own propulsion for a period of three (3) weeks or longer; provided, however, this will not include vehicles parked by Owners while on vacation or residing away from Cottonwood Green Subdivision. A written notice describing the "abandoned or inoperable vehicle" and requesting its removal may be personally served upon the Owner or posted on the unused vehicle. If such vehicle has not been removed with seventy-two (72) hours after notice has been given, the Association will have the right to remove the vehicle without liability, and the expense of removal will be charged against the Owner. All unsightly or oversized vehicles, snow removal equipment, garden maintenance equipment, and all other unsightly equipment and machinery may be required by Declarant or the Board of Directors to be stored at a designated location or locations. "Oversized" vehicles, for purposes of this Section, will be vehicles which are too high to clear the entrance to a residential garage.

4.11. Electrical, Television and Telephone Service. All electrical, television and telephone service installations will be placed underground.