

FIRST AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS
FOR THE FIRST & SECOND FILINGS OF LITTLE VALLEY SUBDIVISION

THIS FIRST AMENDMENT (the "Amendment") is made effective as of the date recorded below, and is with respect to the Declaration of Restrictive Covenants for the first filing of the Little Valley Subdivision, Larimer County, State of Colorado (the "Declarations"), according to the Plat thereof recorded at reception number 824280, on August 10, 1962 are desirous of subjecting the Properties to the covenants, restrictions, conditions and limitations set forth herein; and

WHEREAS, the Declarations do not provide for a mechanism to amend the Declarations;

WHEREAS, Colorado Revised Statute, Section 38-33.3-217(1)(a)(I), provides that "any provision in the declaration that purports to specify a percentage larger than sixty-seven percent is hereby declared void as contrary to public policy, and until amended, such provision shall be deemed to specify a percentage of sixty-seven percent;" and

WHEREAS, in excess of sixty-seven percent (67%) of the members have approved the following amendments to the Declaration, as set forth below, and as evidenced by the signatures attached hereto.

NOW, THEREFORE, the Declaration shall be and is hereby amended as follows:

ARTICLE I
DEFINITIONS

The following words when used in this Declarations or any supplemental declaration, unless the context shall prohibit, shall have the following meanings:

A. "Association" shall mean The Little Valley Owners Association, a Colorado incorporated Association, its successors and assigns.

B. "Board" shall mean the duly elected Board of Directors of the Little Valley Owners Association.

C. "The Properties" shall mean all the property described on Attachment A and additions and annexations subject to this Declaration as a result of the Owner executing the Declarations of Covenants and Restrictions or its counterparts.

D. "Due Process" shall mean the right of a Member (i) to receive written or emailed notice of any proposed proceeding before the Board affecting a Member's rights or property interest under this Declaration; (ii) to be provided in writing in a timely manner the facts as known to the Board which have caused the Board to take action affecting the Member's rights or property interest; (iii) to a hearing at a properly called meeting of the Board after the Board has received such Member's written request for a hearing; (iv) to be represented by an attorney; (v) to present evidence at hearing before the Board. Due process within the meaning of this Declaration shall not diminish any rights of a Member at law or in equity.

E. "Lot" shall mean any numbered plot of land shown upon any recorded subdivision plat of The Little Valley Subdivision, first filing, which is designated as a Lot.

F. "Improved Lot" shall mean any Lot that has had a Living Unit built upon it.

G. "Unimproved Lot" shall mean any Lot that has not had a Living Unit built upon it.

H. "Living Unit" shall mean any structure or portion of a structure situated upon the Properties designed and intended for use, occupancy and ownership as a residence and appurtenant uses.

I. "Member" shall mean an Owner.

J. "Owner" shall mean the record owner, including contract sellers, whether one or more persons or entities, of fee simple title to any Lot or Living Unit situated upon the Properties, but shall not mean a mortgagee or renter.

K. "Related Users" shall be those persons other than Owners, who reside in a Living Unit, including the family of Owners, tenants, and installment contract purchasers.

L. "Street" means any county road or other thoroughfare as shown on the recorded plat or as deemed "legal road" of the Little Valley subdivision.

M. "Set Back" means the minimum distance between a structure and a lot line.

N. "Street Frontage" means that portion of a Lot which borders on a Street.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Covenants Run With The Properties. All the Properties shall be held, sold and conveyed subject to the covenants and restrictions contained in this Declaration. Such covenants and restrictions shall run with the Properties and shall be binding on all Owners and the Association, and shall inure to the benefit of each Owner.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Members of the Association shall be every Owner of a fee simple interest in any Lot or Living Unit subject by this Declaration to assessment by the Association. Membership shall terminate on transfer of a fee simple title by the Owner.

Section 2. Voting Rights. Each Member (regardless of the number of Lots that he/she/it own) is entitled to one vote in matters of Covenant changes. If there is more than one Owner of a Lot or Living Unit, the vote for such Lot or Living Unit shall be exercised as the Owners holding such interest shall determine between themselves, provided that in no event shall more than one vote be cast with respect to any such Lot or Living Unit. A member may vote in the manner and subject to the procedures as outlined in the Bylaws of the Association.

ARTICLE IV
ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. Each Owner of any Lot or Living Unit by executing of this document or a counterpart of this document, shall be deemed to covenant and agree to pay to the Association an annual assessment ("Annual Assessment") and special assessments which subsequently are levied and become due. Such assessments shall be uniform and equal, and shall be levied and collected from time to time as hereinafter provided. Each such assessment shall become a continuing personal obligation of each Owner of such Lot or Living Unit at the time when the assessment fell due until such assessment is paid.

Section 2. Purpose of Assessments. The assessments levied by the Association through the Board shall be used for the purpose of promoting the health, safety, enjoyment and welfare of the Owners through their use of The Property.

Section 3. Basis of Annual Assessment. The annual assessment shall be based upon the Association's

budget, which provides for the payment of all expenses related to the operation of the Association, as well as any and all other reasonable business costs and expenses necessary to fulfill the terms and intent of this Declaration. This provision is not intended to limit the Association from creating such reserves as the Association's Board deems necessary and advisable.

Section 4. Limitation on Annual Assessment. . The annual assessment shall be set each year by the Board, but not in excess of Five Hundred Dollars (\$500.00). If the annual assessment cap of Five Hundred Dollars (\$500.00) is determined by the Board to be inadequate, the cap may be increased by a majority vote of the Members at the annual meeting.

Section 5. Special Assessment. The Association, through its Board may levy a special assessment in any calendar year for any purpose that the Board deems necessary for it to comply with its obligations to the membership pursuant to the terms of this Declaration of Covenants and Restrictions.

Section 6. Date of Commencement of Annual Assessment.

A. The Association, through its Board, shall fix the amount of the Annual Assessment against each Lot or Living Unit, subject to the limitations contained in this Article, and give the Owners of each Lot or Living Unit written notice of such assessment at least thirty (30) days in advance of the due date of such assessment.

B. The annual assessment shall become due and payable on receipt of the annual statement. It is the goal of the Association to have the annual statement mailed to the membership by January 1, of each year or as soon thereafter as possible.

Section 7. Non-payment of Assessments; Lien of Association.

A. If an annual or special assessment is not paid within ninety (90) days of the due date within the meaning of this Article, such assessment shall be delinquent, and a surcharge shall be assessed in the amount of eighteen percent (18%) of the amount of the annual assessment per annum.

B. The Association through the Board may obtain, record and enforce a lien concerning a delinquent and unpaid annual or special assessment in the manner provided by law with respect to a lien on real property. Upon payment of the lien amount due, the Association shall execute and file a release of such lien and lien release costs shall be added to the amount due.

C. The Association through the Board may bring an action at law to enforce payment of a delinquent annual or special assessment against the Owner personally obligated to pay the same.

D. The Owner shall be liable to the Association for any costs and reasonable attorney's fees that it incurs in enforcing the provisions of these Declarations of Restrictive Covenants and Restrictions.

Section 8. Subordination of the Lien.

A. An Association lien within the meaning of this Article shall be subordinate only to any previously recorded lien, mortgage or deed of trust, subject to any other provisions under Colorado law.

Section 9. Estoppel Certificates. The Board shall maintain a roster of The Properties subject to assessments together with applicable assessments. Owners shall be entitled to review said roster upon reasonable notice to the Board of Directors. Upon the payment of such reasonable fee as may be determined from time to time by the Board and upon the written request of any Owner, Mortgagee, Title Company or Person intending to acquire any right, title or interest to a Lot, the Board shall furnish a written certificate setting forth the current amount of assessment together with the amounts due and unpaid, if any, with respect to that Lot.

ARTICLE V
GENERAL RESTRICTIONS APPLICABLE TO ALL THE PROPERTIES

Section 1. Use Restrictions. All The Properties shall be subject to the following use restrictions to their property:

A. No Lot or Living Unit shall be permitted to fall into disrepair, but shall be kept and maintained in a clean, safe, attractive and slightly condition.

B. No trade or business of any kind may be conducted on or from any of The Properties except that an Owner or Related User of a Living Unit may conduct such business activity within the Living Unit provided:

(1) The existence or operation of the business activity does not create a nuisance, does not significantly increase residential traffic, does not display trade names, and does not impair the use and enjoyment of Living Units by other Owners;

(2) The business activity is consistent with the residential character of the Living Unit and does not constitute a hazardous or offensive use.

C. Rentals of a living unit by the Owner or its assignees to a Lessee for less than 30 consecutive days shall be a violation of this Article.

D. No cattle, animals or other livestock or poultry of any kind shall be bred or fed on any lot. Dogs, cats and other household pets may be kept providing they are not kept, fed or maintained for commercial purposes. Horses or llamas may be maintained on each lot for which there is a living unit. Horses or llamas will be allowed in number of not more than one (1) per acre and not to exceed four (4) in number per each lot for which there is a living unit. All pets including horses should be caged, in pens or leashed in a manner that meet other covenant restrictions as to setbacks and are at harmony with the surroundings as well as meet Larimer County leash laws.

E. No commune, co-operative, multiple-family or similarly type occupancy shall be permitted.

F. No noxious, hazardous or offensive activity shall be permitted upon The Properties or any part thereof, nor shall anything be done or maintained thereon, which constitutes a public nuisance, which interferes with the peaceful and quiet enjoyment by Owners of their Living Units, or which diminishes property values. Any use of or activity on The Properties which is a violation of applicable zoning codes shall be a breach of this Declaration.

G. No Lot or Living Unit shall be used or maintained as a dumping ground for rubbish, grass clippings, garbage, trash, hazardous or toxic materials. The storage and disposal of such materials shall comply with all applicable local, state or federal statutes and regulations. Garbage containers shall be stored and concealed from public view except for purposes of trash collection. No incinerator shall be permitted or maintained on any Lot. No tanks of any nature whatsoever either elevated or buried at ground level shall be permitted upon any lot except tanks for propane, butane, septic systems and water tanks. All tanks shall meet setback requirements and be concealed as can be reasonably done with existing trees, foliage, or fencing.

H. No Motor homes, trailers, motorcycles, campers, nonpassenger vans, buses, boats and trucks larger than one ton pick-up trucks may be parked on the Lot or Street unless they are set back at least 75 feet from the Street on the Lot and they can be reasonably shielded by existing trees, foliage or fencing. Inoperable motorized vehicles of any kind shall not be constructed, parked or stored on any Lot or Street unless concealed from public view.

I. Subject to exceptions provided under Colorado law for firemen, police and other public officials, all vehicles owned by a Member or Related Users shall be parked on the Streets. No vehicle or anything else, including but not in limitation recreational vehicle, mobile home, travel trailer or tent, shall be used as a permanent dwelling or residence.

J. Trees shall not be harvested for commercial purposes. Mining operations, of any kind or nature whatsoever, shall not be permitted in any manner upon or beneath any Lot.

K. Discharge of firearms, hunting and use of fireworks are prohibited. No fires should be started unless in contained fire areas. Slash burning should be in accordance with Larimer County Slash Burning Laws.

L. The display of an American Flag on the Lot in violation of the Federal Flag Code and Colorado law is prohibited.

M. The display of a political sign by an Owner is allowed when displayed only on the Lot, providing it is no larger than five (5) square feet. Such signs may not be displayed more than forty five (45) days before the election and must be removed with seven (7) days after the election.

N. No commercial sign is allowed on a Lot with the exception of one sign to advertise the sale of the property. This sign is to be no larger than five (5) square feet.

O. No driveway or access road shall be constructed unless an approved culvert of a minimum size of twelve (12) inches shall first be installed by the Owners, at their expense, unless said driveway or access road is below the level of the Street surface. Owners of existing properties without a culvert, must consult with the Board to determine if a culvert is necessary. If it is determined by the Board that a culvert is necessary, the Owner shall install an approved culvert of a minimum size of twelve (12) inches at Owners' sole expense.

P. Construction on any structure, including walls, fences, residences, ancillary buildings or any other structure, shall be completed within two (2) years of the time such construction was initiated.

Q. Should the Association through the Board determine that activities or conditions concerning a Lot or Living Unit violate this Article, the Owner or Related User of the offending Lot or Living Unit shall be afforded due process concerning any related penalty or enforcement action to be taken by the Association through the Board.

R. Rules and Regulations of the Association, including Architectural Guidelines, shall be available upon written request to Owners by the Board of Directors. Rules and Regulations may not conflict with this Declaration and may not diminish the rights and entitlement of Owners under this Declaration. Changes in or additions to existing Rules and Regulations is to be a majority of the returned vote of the membership.

Section 2. Restrictions on Structures. In addition to the requirements imposed by any governmental agency having jurisdiction over The Properties, the following restrictions apply to structures, improvements and personal property on every Lot:

A. No Living Unit shall be erected on any Lot containing less than 1000 square feet of fully enclosed principal living area. Porches, terraces, basements, guest houses, and garages shall not be construed as living area.

B. All chimneys shall be equipped and maintained with spark-arresting screens or devices

that meet existing codes. Only one unattached out building will be allowed per Lot. This building may be a barn. One out building per Lot may be constructed either at the time of construction of the Living Unit or at any time subsequent thereto upon approval of the Covenant Compliance Committee. The exterior material and color for any such out building shall be harmonious with the Living Unit. No additional structure of any kind, including, but not limited to, any tent, shed or trailer, or any other temporary structure, shall be erected and maintained on any Lot or be used for living purposes, nor shall any garage be used for dwelling purposes, unless in compliance with the Rules and Regulations.

C. No building or structure of any kind including but not limited to Living Units, garages, or barns shall be located nearer than seventy-five (75) feet from the center line of the platted road. Further, no building or structure of any kind including but not limited to Living Units, garages, or barns shall be erected nearer than fifty feet (50) from the property line on a side yard.

D. All structures erected on any Lot shall be designed to and finished to harmonize with the natural color scheme of the location and to preserve the rustic character of the area. Where the walls are wood, they shall be stained or painted to harmonize with the natural color scheme of the surroundings, roofs on all structures shall be of fire retardant material. No prefabricated modular home that is shipped to the Lot in partial or full complete sections shall be approved by the Covenant Compliance Committee.

ARTICLE VI **FIRE MITIGATION AND FOREST MANAGEMENT**

Section 1 – Fire Mitigation

A. All Owners shall adhere to a wild fire mitigation plan adopted by the Board for improved (creation and maintenance of defensible space) and unimproved (fuel reduction) areas of their property. If an Owner is found by the Board, to not be in compliance with identified policies of this section, the Board will require such Owner to submit a written mitigation plan for their property. If an Owner has not submitted a proposed mitigation plan within a six (6) month period of time after receipt of written notice from the Board, the Board the right to develop and impose a plan at the Owner's expense. After receiving written notice from an Owner of a proposed Mitigation Plan, the Board/Covenant Compliance Committee shall have thirty (30) days to give an Owner written approval, modification or rejection of the proposed Mitigation Plan. Failure of the Board/Covenant Compliance Committee to approve, modify or reject the Mitigation Plan within thirty (30) days of receipt shall constitute approval of the Mitigation Plan.

Section 2 – Disease Mitigation

B. All owners are responsible for disease mitigation on their property, whether property is improved or unimproved. The Board shall cause a tree inspection of the entire Association at such times as it shall determine in its discretion. All Owners shall be provided with a copy of the tree inspection report. If disease/infection is found, the Owner is required at the Owners' expense to remove and properly dispose of any trees on their Lot that are infected/diseased as provided in Section 3 herein.

Section 3 – Tree Removal, Basic Rules

A. In the event any trees or brush are felled or trimmed for fire or disease mitigation, the Owner shall be required to remove all or portions of the tree or brush from the Lot. This includes slash which may be chipped through the Association program or disposed of through approved County or State funded grants/programs. However, if no such program is in existence, the Owner is responsible to remove the slash at his/her/its expense.

B. If an owner does not follow removal policy, the Board is authorized to hire an approved contractor to do the clean up at the owners' expense. If not paid in timely manner, the Board may treat this failure to pay as an Owners' breach of Article IV Assessments and seek all remedies provided therein..

C. When a lot Owner is notified in writing that fire fuels or ladder fuels need to be removed, in compliance with our policies on fire mitigation, which must be done within a reasonable time, not to exceed twelve (12) months. If Owner fails to remove fuels, the Board is authorized to have said fuels removed at owners' expense, If not paid in a timely manner, the Board may treat this failure to pay as an Owners' breach of Article IV Assessments and seek all remedies provided therein..

D. When a Lot Owner is notified in writing, after inspection of said property, that they have disease present, those infested trees must be destroyed and removed before June 15 the year of notification. If owner fails to comply, this mitigation will be done at the owners' expense and, if not paid in a timely manner, the Board may treat this failure to pay as an Owners' breach of Article IV Assessments and seek all remedies provided therein..

E. Any violation of this Section shall constitute a violation of these Declarations and the Owner of any Lot that is in violation shall be subject to a mitigation assessment as determined by the Board of up to \$2,500 for violations plus costs and reasonable attorney's fees incurred by the Association at the Board's sole discretion, but after notice and an opportunity for a hearing.

ARTICLE VII **COVENANT COMPLIANCE & RULE VIOLATIONS**

Section 1. Covenant Compliance Committee.

A. The Board shall act in the capacity of the Covenant Compliance Committee unless the Board chooses to select a committee of no less than three (3) members who act to the extent set forth in this Declaration and shall ensure, to the extent possible, that the filings are fairly represented.

B. Architectural standards and guidelines concerning the Covenant Compliance Committee may be adopted and changed by the Association from time to time consistent with the provisions of Articles VI and VII.

Section 2. Restrictions on Construction, Maintenance and Improvements. The following restrictions apply to construction, maintenance, and improvements of Lots and Living Units.

A. No construction of any building, or other external improvements or modifications of any kind (including driveways) shall be erected, placed or altered on any Lot until the plans and specifications and a plot plan showing the location of the structure have been approved by the Covenant Compliance Committee as to the harmony of external design and color with, existing structures. The Covenant Compliance Committee shall have the right to disapprove any part of any plans, which violate this Declaration or the Rules and Regulations of the Association. The Covenant Compliance Committee shall base its evaluation on the provisions and purposes of this Declaration and the Rules and Regulations of the Association, and shall not review or evaluate such construction plans for building code compliance or construction integrity.

B. The Covenant Compliance Committee's approval or disapproval of a proposed external change or addition as required in these covenants shall be in writing. The Covenant Compliance Committee may require such detail in plans and specifications and such other information as it deems necessary. In the event the Covenant Compliance Committee fails to approve or disapprove an application for architectural change or addition within thirty (30) days after the application and necessary plans, specifications and information have been submitted to the Board, which date must be acknowledged in writing, approval will not be required and the proposed project shall be deemed to be in full compliance with these covenants; provided that if, within thirty (30) day period after the application and plans have been submitted to the Board, the applicant is notified in writing that the Covenant Compliance Committee has begun but not completed its review then the Covenant Compliance Committee shall have one extension of fifteen (15) days within which to approve or disapprove the application. The rights of the Association under this Article shall not be

diminished where an applicant commences exterior changes or construction prior to the expiration of the above review period and without having received written approval from the Covenant Compliance Committee. The approval by the Covenant Compliance Committee of any plans or specifications in connection with any matter requiring the approval or consent of the Covenant Compliance Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any plans, specifications or other matters subsequently or additionally submitted for approval by the same or a different person.

Section 3. Observation of Work. The Covenant Compliance Committee shall make themselves available by invitation of the property owner with an on sight visit to assist with any problem that may be encountered with the Covenants.

Section 4. Appeal. If the Covenant Compliance Committee denies, imposes conditions on, refuses approval or finds a violation under this Article, the affected Owner or Related User may appeal to the Board by giving written notice of such appeal to the Board of Directors and to the Covenant Compliance Committee within thirty (30) days after receipt of such denial, refusal or finding. The Board shall hear the appeal, afford appropriate due process, including notice and the right to a hearing, to the Owner or Related User, shall hear the appeal in accordance with the rules established in the Covenant Compliance Guidelines, and decide whether or not the decision or conditions imposed by the Covenant Compliance Committee shall be affirmed, reversed or modified.

Section 5. Variances. The Covenant Compliance Committee conditionally, indefinitely, or for a specified period may authorize variances from compliance with any of the Architectural Guidelines or Rules and Regulations, when circumstances reasonably warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all the members of the Covenant Compliance Committee and approved by a majority of the Board. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Declaration or in the Association's Architectural Guidelines or Rules and Regulations shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision in the particular instance covered by the variance.

Section 6. Compliance and Enforcement. The Association through the Board may apply the remedies set forth in Article V, VI, VII and any violation of the Association's Architectural Guidelines or Rules and Regulations.

ARTICLE VIII **DUTIES AND POWERS OF ASSOCIATION**

Section 1. General Duties and Powers of Association. The Association shall have all of the duties, powers, rights and liabilities provided by law and this Declaration, except as otherwise limited by this Declaration.

Section 2. Manage and Care for Property. The Association through the Board shall manage, operate, care for, maintain and repair all Association property and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members.

Section 3. Pay Taxes. The Association through the Board shall pay all taxes and assessments payable by the Association, and may contest any taxes or assessments provided that it shall contest them by appropriate proceedings preventing the sale or foreclosure of any lien for such tax or assessment, and provided that the Association shall keep sufficient funds to pay the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

Section 4. Adopt Rules and Regulations.

A. The Association may adopt, amend, repeal and enforce Rules and Regulations consistent with this Declaration.

B. The Rules and Regulations shall be reasonable and uniformly applied.

C. The Rules and Regulations shall be effective thirty (30) days after delivery in writing to each Member of Notice of the adoption, amendment or repeal of any Rule or Regulation. Copies of the currently effective Rules and Regulations shall be made available to each Member and Related User upon request.

D. The Rules and Regulations shall have the same force and effect as if they were part of this Declaration. In the event of conflict between the Rules and Regulations and this Declaration, this Declaration shall prevail.

Section 5. Enforcement of Declaration and the Rules and Regulations.

A. The Association through the Board may enforce this Declaration and the Rules and Regulations, and may take such reasonable action as the Board deems necessary to ensure compliance by each Member and each Related User, including the following but not limited to (i) commencing and maintaining actions and suits to recover damages, (ii) restrain and enjoin any breach or threatened breach of this Declaration or the Rules and Regulations or Architectural Guidelines, (iii) by mandatory injunction.

B. In any legal or equitable action by and between the Association and an Owner or Related User to enforce this Declaration and the Rules and Regulations, the prevailing party shall be entitled to be compensated for such reasonable costs, interest and attorneys fees as provided by law.

C. In any legal or equitable action by an Owner or Related User to enforce this Declaration and the Rules and Regulations against another Owner or Related User, neither party shall be entitled by this Declaration to be compensated for attorney's fees or any other costs or expenditures.

Section 6. Distribution of Assets. Upon dissolution of the Association, the assets of the Association shall be distributed consistent with law and a plan of distribution approved by sixty percent (60%) of the Members.

ARTICLE IX
INSURANCE

Section 1. Insurance. The Board shall obtain and keep in full force and effect at all times, to the extent available, necessary and reasonably economically obtainable:

A. Casualty, fire and extended coverage insurance with respect to all insurable improvements and personal property owned by the Association;

B. Broad form comprehensive liability insurance covering public liability for bodily injury and property damage.

C. A blanket fidelity bond or fidelity insurance for any Person handling Association funds in an amount deemed reasonable by the Board.

D. Such other insurance as may be required or permitted by law, including workmen's compensation insurance, concerning Members or other persons acting as employees, agents or representatives of the Association.

E. The Association through the Board shall obtain such other insurance, such as Director and Officer Liability insurance, and such fidelity, indemnity or other bonds as the Board shall deem necessary or desirable.

Section 2. General Provisions Respecting Insurance.

A. Insurance obtained for the Association may contain such deductible provisions as good business practice may dictate.

B. Insurance policies and insurance coverage shall be reviewed annually by the Board to ascertain whether coverage under the policies is sufficient in the light of the current values and in the light of the potential liabilities of the Association. Casualty, fire and extended coverage insurance may be provided under blanket policies covering the Common Area.

ARTICLE X
DISPUTE RESOLUTION

A. In order to encourage the amicable resolution of disputes any Lot and to avoid the emotional and financial costs of litigation, mediation is made mandatory for the Association, Owners and persons subject to these Declarations (the "Contestants"). All disputes or claims between or among those subject to this Declaration shall be mediated according to the rules of the American Arbitration Association although such Association need not provide the mediator.

B. The following claims shall be EXEMPT from the mediation requirements:

- i. Any suit by the Association to enforce an assessment;
- ii. Any suit by the Association to obtain a temporary restraining order or equivalent emergency equitable relief and such other ancillary or related relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the Declarations and rules and regulations of the Association;
- iii. Any claim or dispute among owners that is not based upon this Declaration, the Bylaws of the Association in which similar or identical claims are asserted against more than one Contestant; and
- iv. Any suit by the Association in which similar or identical claims are asserted against more than one Contestant.

ARTICLE XI
GENERAL PROVISIONS

Section 1. Duration and Amendment.

A. Covenants and restrictions of this Declaration shall run with and bind The Properties and shall inure to the benefit of the Owners and be enforceable by the Association or the Owner of any Lot or Living Unit subject to this Declaration, their respective legal representatives, heirs, successors and assigns until July 1, 2020. Unless otherwise expressly provided, this Declaration is not intended to create and grant any entitlement, benefit or right of action in any person other than the Association and the Owners. Thereafter, this Declaration shall be automatically extended for successive periods of ten years unless an instrument signed by the then Owners of fifty percent (50%) plus one of the Properties has been recorded agreeing to change said covenants and restrictions in whole or in part.

B. The covenants and restrictions of this Declaration may be amended or revoked by an instrument signed by not less than fifty percent (50%) plus one of the Owners of The Properties.

C. Any amendment or revocation shall be effective on the tenth day after it is properly recorded in the records of the Clerk and Recorder of Larimer County. The President and Secretary of the Association shall certify in a recorded affidavit that the appropriate number of Owners executed the amendment or revocation, in lieu of recording each individual signature.

D. Where a Lot or Living Unit is owned by more than one person or entity, the execution of any amendment or revocation shall be valid if executed by any one owner. All signatures shall be witnessed or notarized. The signature need not be identical to the name of the recorded Owner, but shall be sufficiently close as to be identified as a proper signature of such person. The originals of all signatures shall be retained for a period of one year from the date of recording. The originals of all signatures may be viewed and copied by any Member, upon payment of a reasonable copying cost.

Section 2. Notices. Any notice required under this Declaration shall be deemed to have been properly given when mailed or delivered to the Member or three (3) days business days after having been deposited in the U.S. Postal System postage prepaid, certified mail, return receipt requested, or delivered to the last known address of the Member shown in the records of the Association. Notice concerning matters affecting the liabilities, obligations, rights or personal interests of a Member or Related User shall be deemed delivered if personally delivered three (3) business days after having been deposited in the U.S. Postal System postage prepaid and certified mail return receipt requested to the last known address of the Member.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court decree shall not affect any other provisions, which shall remain in full force and effect.

Section 4. Nonliability and Indemnification of Board of Directors. The members of the Board of Directors and Covenant Compliance Committee shall not be personally liable for their actions arising from the performance of their duties absent a determination by a court of law that their actions constitute willful, wanton or malicious conduct. Further, the Association shall indemnify the individual Board of Director members and Covenant Compliance Committee members for any and all costs and reasonable attorney's fees incurred in defense of any suit until a court of law makes said determination. Upon such determination by a court of law, the Association shall cease indemnifying the Board of Director members and Covenant Compliance Committee members for their costs and attorneys fees.

IN WITNESS WHEREOF the undersigned, being the President of Little Valley Owners' Association, hereto attests to not less than sixty-seven percent (67%) of the Members voting in favor of the foregoing amendments to the Declaration by signing this instrument. The signature pages are annexed hereto as Exhibit "A", and incorporated herein by reference.

LITTLE VALLEY OWNERS' ASSOCIATION

By: _____
Leola J. Kennicke, President
Date: _____

STATE OF COLORADO)

COUNTY OF) ss
)

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2010, by
Lee Kennicke, as President.

Notary Public
My Commission Expires _____

SEAL