



**SECOND SUPPLEMENTAL
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
BUNGALOWS AT FAIRWAY VILLAS AT GREEN VALLEY RANCH GOLF CLUB
(Green Valley Ranch Filing No. 71)**

THIS SECOND SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BUNGALOWS AT FAIRWAY VILLAS AT GREEN VALLEY RANCH GOLF CLUB (the *Second Supplemental Declaration*), is made by CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation (the *Declarant*). Initially capitalized phrases, terms, and words in this Second Supplemental Declaration have the meanings set forth in Article 2 below.

RECITALS:

A. The Master Declaration establishes and sets forth certain conditions, covenants, reservations, and restrictions affecting the Master Community. The Bungalow Community Area is within the boundaries of the Master Community and is subject to the conditions, covenants, reservations, and restrictions established by and set forth in the Master Declaration.

B. Among the rights reserved by the declarant under Article 9 of the Master Declaration is the right of the Declarant and Principal Builders to make supplemental declarations that establish and set forth conditions, covenants, reservations, and restrictions affecting portions of the Master Community. The Declarant is a Successor Declarant (as defined in the Master Declaration) with respect to, and has the right to make supplemental declarations that affect Lots 1 through 13, inclusive, GVR Filing No. 71, according to the Final Plat (the *Bungalow Community Area*).

C. The Declarant has decided that it will (1) establish a planned community on the Bungalow Community Area and impose additional conditions, covenants, reservations, and restrictions that will affect the Bungalow Community Area and (2) pursuant to CRS § 32-1-1004(8)(a)(II), name the Subdistrict as the entity responsible for the enforcement of the conditions, covenants, reservations, and restrictions set forth in this Second Supplemental Declaration with respect to the Bungalow Community Area. This Second Supplemental Declaration sets forth such assignment and grant to the Subdistrict and the imposition of such additional conditions, covenants, reservations, and restrictions.

COVENANTS, CONDITIONS, AND RESTRICTIONS:

THE DECLARANT declares that the Bungalow Community Area shall be conveyed, held, and sold subject to the conditions, covenants, liabilities, obligations, and restrictions set forth in this Second Supplemental Declaration in furtherance of a common and general plan for the Bungalow Community Area that will enhance and protect the aesthetic nature, attractiveness, desirability, quality, and value of the Bungalow Community Area, provide a mechanism for the enforcement of the provisions of this Second Supplemental Declaration, and define certain duties, powers, and rights of Owners within the Bungalow Community Area.

ARTICLE 1

General

1.1 Declaration. The Declarant hereby declares that (a) Owners shall convey, hold, lease, occupy, own, rent, sell, and transfer such Improvements, Lots, and Residences in accordance with, and subject to, the Supplemental Covenants and Easements and the other covenants, conditions, restrictions, and servitudes imposed by, and set forth in, this Second Supplemental Declaration, (b) the Supplemental Covenants and Easements and the other covenants, conditions, restrictions, and servitudes imposed by, and set forth in, this Second Supplemental Declaration are part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement, and protection of the Bungalow Community Area, and (c) the provisions of this Second Supplemental Declaration are covenants that run with the land and until their expiration in accordance with the terms of this Second Supplemental Declaration, shall bind, be a charge upon, and inure to the mutual benefit of (i) the Bungalow Community Area, (ii) the Declarant, all Principal Builders, and their respective successors and assigns, and (iii) all Persons now having, or hereafter acquiring, any interest, right, or title in and to the Bungalow Community Area.

1.2 Master Declaration; First Supplemental Declaration. Declarant intends and declares that the Supplemental Covenants and Easements and the other covenants, conditions, restrictions, and servitudes imposed by, and set forth in, this Second Supplemental Declaration (a) are an addition and a supplement to the conditions, covenants, reservations, and restrictions contained in the Master Declaration and the First Supplemental Declaration and (b) are not an amendment of the Master Declaration or the First Supplemental Declaration. Except as provided in Article 5 below, if there is a conflict between the conditions, covenants, reservations, and restrictions set forth in this Second Supplemental Declaration and those set forth in the Master Declaration, the conditions, covenants, reservations, and restrictions of the Master Declaration shall control, and except as provided in Article 5 below, if there is a conflict between the conditions, covenants, reservations, and restrictions set forth in this Second Supplemental Declaration and those set forth in the First Supplemental Declaration, the conditions, covenants, reservations, and restrictions of the First Supplemental Declaration shall control. All Lots and Residences subject to this Second Supplemental Declaration are subject to the provisions of the Master Declaration and the First Supplemental Declaration without further reference thereto in this Second Supplemental Declaration or in any deed, Notice, or other instrument.

1.3 Planned Community. Declarant intends that (a) the Bungalow Community Area is part of a planned community (as that term is defined in Section 38-33.3-103.3(22) of the Common Interest Act) and (b) the planned community created by this Second Supplemental Declaration are subject only to Sections §§ 38-33.3-105 to 38-33.3-107 of the Common Interest Act because this Second Supplemental Declaration does not impose any liability on any portion of the Bungalow Community Area for the payment of common expenses. To the extent this Second Supplemental Declaration imposes, or is determined to impose, liability for the payment of common expenses, the annual liability of any such assessment or liability shall not exceed \$400 per year, as adjusted pursuant to Section 38-33.3-116 of the Common Interest Act.

1.4 Subdistrict Designation. Pursuant to Section 32-1-1004(8)(a)(II) and other applicable provisions of the Special Districts Act, Declarant designates the Subdistrict as the entity responsible

for the enforcement of the Supplemental Covenants and Easements and the other covenants, conditions, restrictions, and servitudes imposed by, and set forth in, this Second Supplemental Declaration with respect to the Bungalow Community Area.

ARTICLE 2 Definitions

Unless otherwise provided in this Second Supplemental Declaration, the following phrases, terms, and words when used in this Second Supplemental Declaration have the meanings specified in this Article 2.

Applicable Laws means, to the extent applicable to the Bungalow Community Area and planned community created by this Second Supplemental Declaration, (a) the Common Interest Act, (b) the Special Districts Act, and (c) all other decrees, edicts, laws, orders, ordinances, promulgations, regulations, rules, and statutes of all federal, local, or state governments and their respective agencies, departments, divisions, or parts thereof that have, or from time to time exercise, jurisdiction over the Bungalow Community Area.

Approval means with respect to an action requiring the approval of, or consent to, an action by a Person, such Person has given such approval or consent in writing and conveyed such approval or consent by Notice to the other Party.

Arbitration has the meaning specified in Section 5.5(j).

Auto Court has the meaning specified in Section 3.1, and ***Auto Court Risks*** means the risks attendant to, or associated with, the operation of public facilities similar to the Auto Courts and includes the risk of injury to person or property or both arising out of, or resulting from, (a) the acts, omissions, and trespass of Occupants, Owners, and their respective agents, consultants, employees, guest, invitees, and licensees and other Persons using, or otherwise present on, the Auto Courts, (b) the alteration, construction, maintenance, operation, repair, replacements, or use of the Auto Courts, and (c) lights, noise, odors, and vibrations associated with the Auto Courts and the operation and use of Vehicles on the Auto Courts.

Bound Parties means the Declarant, the Districts, Principal Builders, Owners, Occupants, and the Subdistrict together with (a) any Persons asserting or claiming rights by, through, or under any of such Persons and (b) the agents, contractors, Directors, guests, invitees, licensees, Officers, representatives, and successors of such Persons.

Bungalow Community Area means the real property subject to this Second Supplemental Declaration as defined and described in Recital A to this Second Supplemental Declaration.

Claim means action, claim, damage, demand, dispute, fine, grievance, liability, loss, proceeding, or suit seeking to impose liability on a Person whether based at law, in equity, or otherwise and including matters arising out of, or related to, (a) the interpretation, application or enforcement of any of the Governing Documents or the rights, obligations, and duties of any Bound Party under any of the Governing Documents, (b) the design or construction of any Common Area

Facility, improvement, or Residence, (c) any statements, representations, promises, warranties, or other communications made by or on behalf of any Person, and (d) the Common Area Risks.

Claimant has the meaning specified in Section 5.5(a).

City means the City and County of Denver, Colorado.

Common Interest Act means the Colorado Common Interest Ownership Act as provided in C.R.S. §§ 38-33.3-101, *et seq.*

Declarant means Clayton Properties Group II, Inc., a Colorado corporation.

Director means a member of the Board of Directors of a District, as appointed or elected from time to time.

Dispute means any claim, dispute, or grievance among or between Bound Parties and includes claims, disputes, or grievances arising out of, based upon, or otherwise related to (a) the application, enforcement, or interpretation of any of the Governing Documents or the rights, obligations, and duties of any Person under any of the Governing Documents, (b) the design, construction, operation, repair, replacement, and use of the Auto Courts, the Improvements, or the Residences, and (c) any promises, representations, statements, warranties, or other communications made by, on behalf of, or to a Bound Party.

Dispute Notice means a Notice given by a Claimant to a Respondent and complying with the requirements of Section 5.5 below.

Dispute Party means a Claimant or a Respondent, as the context may require.

District means, as the context may require, any one of the Ebert Metropolitan District, Town Center Metropolitan District, the Subdistrict, and other subdistricts of the Ebert Metropolitan District or the Town Center Metropolitan District.

Final Plat means the Final Plat of Green Valley Ranch Filing No. 71 Recorded on December 2, 2016, at Reception No. 2016168462.

First Mortgage (a) means a mortgage or deed of trust or other such instrument encumbering a Lot or Residence that (i) is given voluntarily by a Mortgagor to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt and (ii) has priority over all other security interests in a Lot or Residence, other than statutory liens for taxes and special assessments and (b) includes an executory land sales contract in which the Administrator of Veterans Affairs (Veterans Administration) is the seller, whether such contract is owned by the Veterans Administration or its assigns, and whether Recorded or not.

First Mortgagee means any Person named as the mortgagee or beneficiary under any First Mortgage, or any insurer or guarantor of a First Mortgage, including the VA.

First Supplemental Declaration means the Supplemental Declaration of Covenants, Conditions, and Age Restrictions for Fairway Villas at Green Valley Ranch Golf Club recorded on November 29, 2011, at Reception No. 2011134562.

Front-Yard Landscaping and **Front-Yard Landscaping Plan** have the meanings specified in Section 3.2.

Government Mortgage Agency means any one of (a) the Federal Housing Administration of the United States Department of Housing and Urban Development (**FHA**), (b) the Federal Home Loan Mortgage Corporation or The Mortgage Corporation (**FHLMC**) created by Title III of the Emergency Home Finance Act of 1970, including any successors thereto, (c) Federal National Mortgage Subdistrict (**FNMA**), a government-sponsored private corporation established as such pursuant to Title VIII of the Housing and Urban Development Act of 1968, including any successor thereto; (d) the Government National Mortgage Subdistrict (**GNMA**) administered by the United States Department of Housing and Urban Development, including any successor thereto, (e) the United States Department of Housing and Urban Development (**HUD**), (f) the Veterans Administration of the United States of America, including such department or agency of the United States government as shall succeed to the VA in its present function of issuing guarantees with respect to notes secured by Mortgages on Lots or Residences (the **VA**), (g) any agency, corporation, department, or entity that succeeds to FHA, FNMA, FHLMC, GNMA, and VA, and (h) any similar entity, public or private, approved, authorized, or sponsored by any governmental agency to guarantee, insure, make or purchase Mortgage loans.

Governing Documents means the Master Declaration, the First Supplemental Declaration, the Second Supplemental Declaration, the Design Guidelines (as defined in Section 2.18 of the Master Declaration), Design Standards issued from time to time by Town Center Metropolitan District, the Final Plat, and the Regulations and Rules.

Improvements has the meaning specified in Section 2.35 of the Master Declaration.

Interior Fence has the meaning specified in Section 3.2.

Lease means and refers to any agreement for the leasing or rental of a Lot or Residence including all kinds and types of tenancies.

Lot means one of the Lots created by, and described in, the Final Plat.

Master Community means the planned community established by the Master Declaration and commonly known as "Green Valley Ranch North."

Master Declarant means the Declarant, and **Master Declaration** means that certain Master Declaration of Covenants, Conditions, and Restrictions for Green Valley Ranch North Recorded on August 10, 2001, at Reception No. 2001133495.

Mediation and **Mediator** have the meanings specified in Section 5.5(d).

Mortgagor means the maker or grantor of a deed of trust or mortgage.

Notice has the meaning specified in Section 7.11.

Occupant means each Person occupying a Residence and including an Owner, a tenant leasing a Residence pursuant to a Lease, a family member of an Owner or a tenant occupying a Residence, and a Person occupying a Residence as guest, invitee, or lessee, or any other Person occupying a Residence.

Officer means an officer of a District or a Subdistrict appointed from time to time by such District or Subdistrict.

Owner means a Person or Persons, including the Declarant, who hold fee simple title of Record to a Lot in the Bungalow Community Area.

Perimeter Fence has the meaning specified in Section 3.2.

Person means a natural person, a corporation, a joint venture, a limited liability company, a partnership, or other type of legally recognized entity.

Principal Builder means an Owner designated as a Principal Builder in an instrument executed and Recorded by the Declarant and includes the Declarant.

Record, Recorded, Recording, and other variants of the word *record* mean the filing for record of any document in the real estate records of the City.

Recyclables has the meaning specified in Section 3.4.

Regulations and Rules means such policies, procedures, regulations, and rules (Regulations and Rules) as the Subdistrict deems appropriate for the proper administration of this Second Supplemental Declaration and the Supplemental Covenants and Easements.

Reserved Rights has the meaning specified in Section 4.3.

Residence means a single-family residence and related Improvements constructed on a Lot.

Residential Cluster means one of the following clusters and groupings of Lots: (a) Lots 1, 2, 3, and 4, Green Valley Ranch Filing No. 71, (b) Lots 5, 6, 7, and 8, Green Valley Ranch Filing No. 71, according to the Final Plat, and (c) Lots 9, 10, 11, 12, and 13, Green Valley Ranch Filing No. 71, according to the Final Plat.

Respondent has the meaning specified in Section 5.5(a).

Special Districts Act means C.R.S. § 32-1-101, et seq.

Subdistrict means the Town Center Metropolitan District Subdistrict No. 1.

Successor Declarant means any Person (a) that owns one or more unimproved Lots and (b) specifically designated as a Successor Declarant in a Recorded instrument as a Successor Declarant.

Supplemental Covenants and Easements has the meaning specified in Article 3.

Trash has the meaning specified in Section 3.4.

Utilities means all utility services necessary for the convenient use and enjoyment of the Lots and Residences and including electric, gas, water, and sewer service and telecommunication facilities).

Vehicle means any automobile, boat, camper (on or off supporting vehicle), disabled or inoperative vehicle, motor home, motorcycle, recreational vehicle, snowmobile, towed trailer unit, tractor, trailer, truck, or other vehicle of any description, kind, or type.

ARTICLE 3

Supplemental Covenants and Easements

Declarant hereby declares, establishes, and imposes upon the Bungalow Community Area the covenants, equitable servitudes, limitations, reservations, and restrictions set forth in this Article 3 (collectively, the ***Supplemental Covenants and Easements***):

3.1 Auto Courts. Each Residence in a Residential Cluster shares an automobile court (an ***Auto Court***) with the other Residences in such Residential Clusters. Each Auto Court is located on a twenty-five foot utility and shared access easement as depicted on the Final Plat and owned by the Subdistrict. Each Auto Court provides a Utility easement and a shared access easement across, on, over, and under the Auto Court from each Residence to an avenue, place, street, or way dedicated for public use. With respect to the Auto Court, an Owner and Occupant shall not (a) conduct any activity in the Auto Court that would constitute a nuisance or noxious activity or unreasonably interfere with the full enjoyment and use of an Auto Court for access by Occupants of Residences adjoining such Auto Court, (b) barricade, block, hinder, interfere with the use of, or otherwise materially obstruct the full enjoyment and use of an Auto Court for access by Occupants of Residences adjoining such Auto Court, (c) keep, park, or store any Vehicle in an Auto Court (collectively, ***Vehicles***), (d) dismantle, maintain, paint or repaint, repair, service, or perform other work on a Vehicle in the Auto Court, or (e) store any container, receptacle, or other object in the Auto Court.

3.2 Front-Yard Landscaping. Except for the Front-Yard Landscaping of front yards of Residences described in this Section 3.2, each Owner shall maintain landscaping on its Lot in accordance with the requirements of the Master Declaration. With respect to front-yard landscaping (***Front-Yard Landscaping***), each Owner, Principal Builder, and Subdistrict shall comply with a plan (a ***Front-Yard Landscaping Plan***) established by the Subdistrict and in accordance with the following covenants:

(a) Front-Yard Landscaping Plan. Declarant shall establish a Front-Yard Landscaping Plan for the front yard of each Residence that will generally depict the location and type of Front-Yard Landscaping for Residences in the Bungalow Community Area. From time to time, the Subdistrict shall have the right to change the Guidelines and/or plantings approved for the Bungalow Community Area.

(b) Installation of Front-Yard Landscaping. Upon its construction of a Residence on a Lot and at its cost and expense, a Builder shall (i) install the Front-Yard Landscaping in the front yard of such Residence pursuant to the Front-Yard Landscaping Plan for such Lot and (ii) be responsible for replacement of Front-Yard Landscaping for a two-year warranty period beginning with the month of the initial installation of such Front-Yard Landscaping.

(c) Maintenance of Front-Yard Landscaping. Following the expiration of the two-year warranty period and at its cost and expense, the Subdistrict shall be responsible for the maintenance, repair, and replacement of the Front-Yard Landscaping on its Lot. If an Occupant or an Owner damages the Front-Yard Landscaping or the irrigation system for such Front-Yard Landscaping, then, upon the demand of the Subdistrict, the Owner shall reimburse the Subdistrict the cost and expense incurred by the Subdistrict in such maintenance, repair, or replacement of the Front-Yard Landscaping or irrigation system or both, as the case may be, together with interest on such costs and expenses from the date of demand for payment until the date paid in full.

3.3 Recyclables and Trash. Each Owner shall (i) dispose of all garbage, grass clippings, leaves, lumber, metal, plant waste, scrap, shrub or tree clippings, or debris of any kind in containers (*Trash*) designated for trash by the City, (ii) dispose of recyclable bottles, glass, paper, plastic, and other recycled materials (*Recyclables*) in accordance with City requirements and in receptacles designated for Recyclables, (iii) on the days designated by the City for pick-up and removal, cause the receptacles for Recyclables and Trash to be carried out to a publicly dedicated street by the times for such pickup, as designated by the City, and (iv) within twenty-four hours after the City has picked up such Recyclables and Trash, cause the receptacles to be taken from the publicly dedicated street to such Owner's Residence. Owners shall dispose of bulk materials in accordance with the City requirements for the pick-up of such materials. If the Subdistrict contracts with a contractor to perform such services, then each Owner shall comply with the procedures and requirements of such subcontractor for the pickup and disposal of Recyclables and Trash.

ARTICLE 4

Reservations and Rights

4.1 Limitations and Restrictions. The Bungalow Community Area is subject to all of the conditions, provisions, and terms of the Master Declaration, including (a) the rights granted to the Districts and the covenants, limitations, and restrictions on the Common Area set forth in Section 4 of the Master Declaration, (b) the easements and disclosures set forth in Section 5 of the Master Declaration, (c) the architectural approval process set forth in Section 6 of the Master Declaration, (d) the imposition of a Transfer Fee set forth in Section 7 of the Master Declaration, and (e) the Declarant's rights and reservations set forth in Section 8 of the Master Declaration. The Declarant and the Subdistrict shall have the benefit and use of all of the easements, rights, and rights of way established and reserved by the Declarant in the Master Declaration (including those specified in Article 5 of the Master Declaration) with respect to the Bungalow Community Area.

4.2 Additional Limitations and Restrictions. In addition to the limitations and restrictions affecting the Master Community, as set forth in Section 4.1 above, the Bungalow Community Area is subject to the exclusive authority, power, and right of the Subdistrict to (i) enforce the Supplemental Covenants and Easements and to establish policies, procedures, regulations, and rules regarding the

Auto Courts, (ii) the nonexclusive authority and power to enforce the age limitations and restrictions set forth in Article 4 of the First Supplemental Declaration, and (iii) the right to establish additional design standards for Improvements in the Bungalow Community Area and (b) enter into agreements with another District to construct, maintain, manage, repair, or replace all or part of the Auto Courts.

4.3 Declarant Reservations and Rights. The Declarant shall have, retain, and reserve certain the rights (the *Reserved Rights*) set forth in, and subject to, this Section 4.3:

(a) Additional Easements and Improvements. At its option and election, Declarant reserves the right to (i) construct additional Improvements on Auto Courts and (ii) grant or create temporary or permanent easements for access, drainage, Utilities, and other purposes incident to development and sale of the Bungalow Community Area located in, on, under, over, and across Lots owned by the Declarant or a Principal Builder and Auto Courts.

(b) Construction Rights. Declarant reserves the right to (i) excavate, cut, fill, or grade any property owned by the Declarant or by a Principal Builder, (ii) construct, alter, demolish, or replace any Improvements on any property owned by the Declarant or a Principal Builder, (iii) use any Improvement on a Lot as a construction office, model Residence, Principal Builder office, Declarant office, or real estate sales office in connection with the development and sale of any property within the boundaries of the Bungalow Community Area, (iv) store construction materials, supplies, equipment, tools, waste or other items on property within the Bungalow Community Area that is owned by the Declarant or a Principal Builder, or (v) seek or obtain the approval of any District for any such activity or Improvement to Property on any property owned by the Declarant or a Principal Builder.

(c) Development Rights. Declarant reserves the right to develop such number and type of Residences as Declarant may determine under this Second Supplemental Declaration and as the City may Approve. This Second Supplemental Declaration shall not prevent or limit the rights of the Declarant or a Principal Builder to (i) complete development of property within the boundaries of the Bungalow Community Area or elect not to complete development of any part of the Bungalow Community Area, (ii) construct or alter Improvements on any property owned by the Declarant or a Principal Builder within the Bungalow Community Area, (iii) maintain model Residences, offices for construction, construction storage yards and staging areas, Principal Builder and Declarant offices, sales offices, parking areas, or similar facilities on any property owned by the Declarant, a Principal Builder, Persons affiliated with the Declarant or a Principal Builder, or on any portion of the Common Area that has not been developed and completed as a Common Area Facility, or (iv) post signs or do any other act or thing incidental to development, construction, offer, promotion, marketing, or sales of property within the boundaries of the Bungalow Community Area.

(d) Use Rights. The Declarant reserves the right to reasonable use of the Auto Courts and Lots owned by the Declarant or a Principal Builder in connection with the promotion and marketing of the Bungalow Community Area. Without limiting the generality of the foregoing, the Declarant and, with the Declarant's written consent, a Principal Builder, may (i) erect and maintain on any part of the Auto Courts and Lots owned by the Declarant or a Principal Builder such signs, temporary buildings, and other structures as the Declarant or such Principal Builder may reasonably deem necessary or proper in connection with the promotion, development, and marketing and sales

of real property within the Bungalow Community Area, (ii) use vehicles and equipment on the Auto Courts and Lots owned by the Declarant or a Principal Builder for promotional purposes, and (iii) permit prospective homebuyers to use Auto Courts at reasonable times and in reasonable numbers in connection with the efforts of Declarant or a Principal Builder to market, promote, and sell Residences.

4.4 Duration and Exercise of Reserved Rights.

(a) Duration. The Reserved Rights shall continue in full force and effect after the Recording of this Second Supplemental Declaration until the date that (i) Declarant has conveyed and sold the last Lot and Residence constructed thereon to Persons other than the Declarant, a successor Declarant, or a Principal Builder and (ii) a certificate of occupancy has been issued for the Residence constructed thereon, but in no event later than fifteen years after the Recording of this Second Supplemental Declaration.

(b) Exercise and Manner of Reservation of Reserved Rights. Each deed conveying a Lot shall automatically reserve and retain the Reserved Rights regardless of whether such deed specifically makes reference to this Second Supplemental Declaration or specifically reserves the Reserved Rights. Declarant may exercise the Reserved Rights with respect to all parts of the Bungalow Community Area, and such reservation shall be prior and superior to any other provisions of this Second Supplemental Declaration.

(c) Amendment. Notwithstanding anything to the contrary contained in this Second Supplemental Declaration, for a period commencing on the date of the Recording of this Second Supplemental Declaration and ending twenty years thereafter, any amendment of this Article 4 shall require the written consent of the Declarant and two-thirds of all Owners and First Mortgagees and otherwise comply with the requirements of Article 6.

ARTICLE 5

Alternative Dispute Resolution

5.1 Intent of Article; Applicability of Article; and Applicability of Statutes of Limitation. Each Bound Party agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit any Claims to the procedures set forth in Section 5.5 below. By acceptance of a deed for a Lot, each Owner agrees to abide by the terms of this Article 5. Any applicable statute of limitation shall apply to the alternative dispute resolution procedures set forth in this Article.

5.2 Persons Entitled to Enforce Second Supplemental Declaration. Subject to and in the manner set forth in this Article 5, the Declarant, any Principal Builder, the Subdistrict, and any Owner of a Lot (all of whom shall be deemed to be aggrieved Persons with respect to any alleged violation hereof and Bound Parties, as set forth) shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Second Supplemental Declaration against any property within the Supplemental Community Area and the Owner thereof. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision hereof.

5.3 Condition Precedent. Before any Bound Party commences any proceeding to which another Bound Party is a party, including but not limited to an alleged defect of any Improvement, the Respondent shall have the right to be heard by the Claimant and to access, inspect, correct the condition of, or redesign any portion of any Improvement as to which a defect is alleged or otherwise correct the alleged dispute.

5.4 Claims. Unless specifically exempted below, all Claims between any of the Bound Parties shall be subject to the provisions of Section 5.5 below. Notwithstanding the foregoing, unless all Parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 5.5 below: (a) any action brought by a District to enforce the covenants, conditions, and restrictions contained in this Second Supplemental Declaration or in the Master Declaration, (b) any suit between or among Owners that does not include the Declarant, the Master Declarant, or a Principal Builder, and (c) any suit in which any indispensable party is not a Bound Party.

5.5 Procedure.

(a) Notice of Claim. Before proceeding with any claim against any other Bound Party (*Respondent*), each Bound Party having a claim (*Claimant*) shall give a Notice to each Respondent, which Notice shall state plainly and concisely (i) the nature of the Claim, including all Persons involved and Respondent's role in the Claim; (ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises); (iii) the proposed remedy; and (iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Good Faith Attempts to Resolve Claim. The Bound Parties shall make every reasonable effort to meet in person and confer for resolving the Claim by good faith negotiation in accordance with the following:

(c) Appointment of a Facilitator. If requested in writing, accompanied by a copy of the Notice, the board of directors of the Subdistrict may appoint a facilitator, mediator, representative, or similar representative to assist the Bound Parties in negotiation.

(d) Filing Arbitration. If the Bound Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Bound Parties) (*Termination of Negotiations*), Claimant shall have thirty days to submit the Claim to mediation (*Mediation*) under the auspices of an independent mediation service (*Mediator*) mutually agreed to by the Bound Parties.

(e) Effect of Not Participating in Mediation. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim provided that nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(f) Settlement of Dispute by Mediation. The party conducting the mediation shall document any settlement of the Claim in a written instrument executed and delivered by the mediator

and the Bound Parties (*Settlement Agreement*). If the Bound Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (*Termination of Mediation*). If a Termination of Mediation occurs, the mediator shall issue a notice of Termination of Mediation. The Termination of Mediation notice shall set forth that the Bound Parties are at an impasse and the date that mediation terminated.

(g) Settlement Demand and Settlement Offer. Each Bound Party shall, within 10 days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand (*Settlement Demand*) to the Respondent. The Respondent shall make a final written settlement offer (*Settlement Offer*) to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(h) Costs of Mediation and Negotiation. Each Bound Party shall bear its own costs of the negotiation and Mediation, including attorneys' fees, and each Bound Party shall share equally all charges rendered by the mediator.

(i) Failure to Comply with Settlement Agreement. If the Bound Parties agree to a resolution of any Claim through negotiation or Mediation, as set forth in the Settlement Agreement, and any Bound Party thereafter fails to abide by the terms of such Settlement Agreement, then any other Bound Party may initiate Arbitration to enforce such Settlement Agreement without the need to again comply with the procedures set forth in this Section 5.5. In such event, the Bound Party taking action to enforce the Settlement Agreement shall be entitled to recover from the non-complying Bound Party (or if more than one non-complying Bound Party, from all such Bound Parties *pro rata*) all costs incurred in enforcing such Settlement Agreement, including, without limitation, attorneys' fees and court costs.

(j) Arbitration Procedure. If the Bound Parties do not agree in writing to accept either the Settlement Demand, the Settlement Offer, or otherwise resolve the Claim within 20 days of the Termination of Mediation, the Claimant shall have 15 additional days to submit the Claim to mandatory, binding arbitration (*Arbitration*) in accordance with the appropriate rules of the Colorado Uniform Arbitration Act, C.R.S. § § 13-22-201, et seq., or such other Applicable Law as the Bound Parties may mutually agree, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided nothing herein shall release or discharge Respondent from any liability to persons not a party to the foregoing proceedings. The procedure for Arbitration shall be as follows:

(i) Arbitration. The Arbitration shall be conducted in accordance with the rules established by the arbitrator (*Arbitrator*) for such Arbitration. Any court having jurisdiction over a Claim may enforce any judgment upon the award rendered by the Arbitrator. Unless otherwise agreed by the Bound Parties in writing, there shall be one Arbitrator who shall be a retired Colorado state court judge, a retired Federal judge, or an attorney licensed to practice law in the State of Colorado for at least ten years. To the extent feasible, the Arbitrator shall have expertise in the area of the Claim including legal expertise if legal issues are involved.

(ii) Arbitration Award. The Arbitrator shall not have the authority to make, and Claimant shall not be entitled to claim or receive, consequential, exemplary, or punitive damages. The Arbitrator shall make an award that shall include detailed written findings of fact and conclusions of law. Except as required by law or for confirmation of an award, neither a Bound Party nor an Arbitrator may disclose the existence, content, or results of Arbitration without the prior written consent of all Parties.

(iii) Arbitration Rules. The Colorado Rules of Civil Procedure shall govern disclosure, discovery, and other prehearing proceedings in the Arbitration, and the Colorado Rules of Evidence shall govern the admissibility of evidence at any Arbitration hearing. Subject to the foregoing, the Arbitrator shall conduct the Arbitration in accordance with (A) the Construction Industry Arbitration Rules of the American Arbitration Association Industry Arbitration Rules and the Procedures for Large, Complex Construction Claims of the American Arbitration Association then in effect, (B) if the Bound Parties select an Arbitrator other than the American Arbitration Association, then the rules selected by such Arbitrator, or (C) such other rules as the Bound Parties may agree in writing. The Arbitration shall be closed to the public, the decision of the Arbitrator shall not be published, and the decision by the Arbitrator shall not be cited as precedent in subsequent Claims between the Bound Parties participating in the Arbitration or in Claims involving other Bound Parties.

(iv) Decision of Arbitrator. The Arbitrator shall issue an award within 30 days of the completion of an Arbitration hearing or if post-hearing briefs are submitted, within 30 days of receipt of briefs or other post-hearing submittals by the Bound Parties. If the Bound Parties file post-hearing briefs, the Bound Parties shall submit such post-hearing briefs within 20 days of the completion of the hearing and the Arbitrator shall not grant any extensions of time for the filing of briefs. The Bound Parties shall comply with the award of the Arbitrator, and if a Bound Party does not comply with the award, then judgment upon an Arbitration award may be entered and enforced in any court having jurisdiction over such matters in the City and County of Denver, Colorado.

(v) Cost and Expense of Arbitration. The Bound Parties participating in the Arbitration shall share the costs of such Arbitration, and if the Arbitrator requires payment of costs and fees in advance fees, then the Bound Parties will pay those costs and fees equally. If one Bound Party pays more than its proportionate share of the costs and fees of the Arbitration, then the Arbitrator shall, in the Arbitration award, make such adjustments as are necessary so that each Bound Party shall have paid its equal share of the costs and fees of Arbitration. Notwithstanding the foregoing, if a Bound Party unsuccessfully contests the validity or scope of Arbitration in a court of law or in the Arbitration, then the Arbitrator shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Bound Party. If a Bound Party incurs costs and attorney's fees in enforcing the award of an Arbitrator, such Bound Party shall be entitled to an additional award of its costs and reasonable attorneys' fees incurred in the enforcement of such an award.

5.6 Construction Defect Action Reform Act. The Declarant does not intend that the provisions of this Second Supplemental Declaration be applied as an express waiver of, or limitation on, a property owner's legal rights, remedies, or damages provided by the Construction Defect Action Reform Act, Part 8 of Article 20, Title 13, or provided by the Colorado Consumer Protection

Act, Article 1, Title 6, as described in Section 806 of Article 20, Title 13, Colorado Revised Statutes, or on the Owner's ability to enforce such legal rights, remedies, or damages within the time provided by applicable statutes of limitation or repose. Damages claimed or recovered by an Owner shall be limited as set forth in the foregoing statutes.

5.7 Amendment. This Article 5 runs in favor of the Declarant in relation to any claim in law or equity that may be brought against the Declarant and, notwithstanding Section 6.1, may not be removed or amended without the written consent of the Declarant for all claims in which it may be a party regardless of when brought and whether or not the Declarant owns any property in the Bungalow Community Area.

ARTICLE 6

Amendment, Rights of First Mortgagees, Term

6.1 Amendment of Second Supplemental Declaration by Members. Except as otherwise provided in this Second Supplemental Declaration, and subject to provisions elsewhere contained in this Second Supplemental Declaration requiring the Approval of the Declarant or others, any provision, covenant, condition, restriction, or equitable servitude contained in this Second Supplemental Declaration may be amended or repealed at any time and from time to time upon Approval of the amendment or repeal by Owners holding title to at least two-thirds of the Lots within the Supplemental Community Area provided that (a) at any time that the Declarant owns a Lot that is subject to this Second Supplemental Declaration, any amendment to, or repeal of, this Second Supplemental Declaration (including any amendment to this Section 6.1) must receive the prior Approval of the Declarant, (b) any amendment to, or repeal of, this Second Supplemental Declaration (including any amendment to this Section 6.1) must receive the prior Approval of the Subdistrict, and (c) any amendment to, or repeal of, this Second Supplemental Declaration shall only be binding, effective, and enforceable upon the Recordation of an instrument setting forth such amendment to, or repeal of this Second Supplemental Declaration, with the requisite Approvals and signatures affixed thereto. If HUD or VA has insured or guaranteed a mortgage on any Lot, then HUD or VA, as the case may be, must Approve such amendment in writing.

6.2 Amendment Required by Government Mortgage Agencies. Notwithstanding the provisions of this Article 6, and to the extent permitted under the Act, any provision, covenant, condition, restriction, or equitable servitude contained in this Second Supplemental Declaration that any Government Mortgage Agency requires to be amended or repealed may be amended or repealed solely by the Declarant and no approval, consent, or vote of any other Person or entity shall be required, other than the prior written consent of the VA or FHA if either agency has insured or guaranteed a Mortgage on a Lot. The Declarant's rights under this Section 6.2 shall terminate on the earlier of thirty years after the date of Recordation hereof or the sale of all Lots owned by the Declarant or a successor Declarant. Any such amendment or repeal shall be effective upon the Recordation of a certificate, executed by the Declarant, setting forth the amendment or repeal in full.

6.3 Member and First Mortgagee Approval. Notwithstanding any other provisions hereof to the contrary and with respect to the abandonment, amendment, or termination of this Second Supplemental Declaration:

(a) Abandon, Terminate, or Amend Second Supplemental Declaration. Unless they have obtained the prior Approval of at least two-thirds of the Owners and the prior Approval of two-thirds of the First Mortgagees of Lots (based on one vote for each First Mortgage held) and either the VA or HUD if either agency has insured or guaranteed a First Mortgage, the Owners shall not (i) seek to abandon or terminate the Second Supplemental Declaration, whether by act or omission or (ii) amend any provisions hereof which are for the express benefit of First Mortgagees; and

(b) Approval of First Mortgagee Deemed Given Unless Notice of Disapproval Given. Unless, within sixty days after receipt of written notice, a First Mortgagee or insurer or guarantor of a First Mortgage notifies the Subdistrict of its disapproval of any of the matters requiring their Approval as provided herein, such First Mortgagee or insurer or guarantor of a First Mortgage shall be deemed to have given such Approval.

6.4 Special Rights of First Mortgagees. Any First Mortgagee of a First Mortgage encumbering any Lot in the Supplemental Community Area that has filed written request with the Subdistrict to be notified of any proposed action requiring the Approval of the First Mortgagees, shall be entitled to (a) receive written notice from the Subdistrict of any default by the Mortgagor of such Lot in the performance of the Mortgagor's obligations under this Second Supplemental Declaration, which default is not cured within sixty days after the Subdistrict learns of such default; (b) examine the books and records of the Subdistrict during normal business hours; and (c) receive sixty days' written notice before the effective date of any proposed material amendment to this Second Supplemental Declaration requiring consent of a certain percentage of First Mortgagees.

6.5 Term of Second Supplemental Declaration. Unless amended as herein provided, each provision contained in this Second Supplemental Declaration shall continue and remain in full force and effect for a period of forty years after the date this Second Supplemental Declaration is Recorded, and thereafter shall be automatically extended for successive periods of ten years each unless terminated by the vote, by written ballot, of Owners holding title to at least two-thirds of the Lots within the Supplemental Community Area. The Owners shall evidence a termination of this Second Supplemental Declaration by an agreement or ratification thereof (***Termination Agreement***) that (a) the requisite number of Owners have executed, (b) specifies the date after which the Termination Agreement will be void unless Recorded before such date, and (c) the Owners Record. The termination hereof shall be effective upon the date of such Recording.

6.6 Amendment. Notwithstanding anything to the contrary contained in this Second Supplemental Declaration, for a period commencing as of the Recording of this Second Supplemental Declaration and ending twenty years thereafter, all of the Owners must consent in advance in writing to an amendment of this Article 6.

ARTICLE 7 General Provisions

7.1 Assignees and Successors of Declarant. This Second Supplemental Declaration shall be binding upon, and inure to the benefit of, (a) the Owners and their respective assigns, beneficiaries, devisees, heirs, representatives, and successors that acquire title to a Lot and (b) any

Person designated as a successor Declarant pursuant to a Recorded Instrument as to all, or some, of the rights of Declarant under this Second Supplemental Declaration.

7.2 Computation of Time. In the computation of time from a specified date to a later specified date, the word *from* means *from and including*; the words *to* and *until* each mean *to but excluding*; and the word *through* means *to and including*. Unless otherwise specified, all references in this Second Supplemental Declaration to times of day shall be references to time in Denver, Colorado (daylight or standard, as applicable). The term *business day* means any day other than a Saturday, a Sunday, or other nationally recognized holiday. If any date upon which performance of a term, covenant, or provision of this Second Supplemental Declaration is to occur is a date other than a business day, then the Parties shall extend the date for such performance to the next succeeding business day.

7.3 Construction of Terms. The definitions of terms in this Second Supplemental Declaration shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The Parties shall construe, deem, and interpret (a) the words *include*, *includes*, and *including* as being followed by the phrase without limitation, (b) the word *will* as having the same meaning and effect as the word *shall*, (c) any definition of, or reference to, this Second Supplemental Declaration or other agreement, document, or instrument as referring to this Second Supplemental Declaration or other agreement, document, or instrument as amended, supplemented, or otherwise modified, (d) any reference in this Second Supplemental Declaration to any Person as including the assigns, representatives, and successors of such Person, (e) references in this Second Supplemental Declaration to sections and attachments as referring to the sections of, and attachments to, this Second Supplemental Declaration, (f) references to any law as referring to all statutory and regulatory provisions amending, consolidating, interpreting, replacing, or supplementing such law and any reference to any law or regulation as referring to such law or regulation as amended, modified, or supplemented from time to time, and (g) section headings in this Second Supplemental Declaration as being for convenience of reference only and not affecting its interpretation or meaning.

7.4 Bungalow Common Area Disclaimer. THE DECLARANT, THE DISTRICTS, AND THE PRINCIPAL BUILDERS HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE BUNGALOW COMMUNITY AREA. ANY OWNER OF PROPERTY WITHIN THE BUNGALOW COMMUNITY AREA (A) ACCEPTS THE AUTO COURT RISKS, (B) WAIVES AND RELEASES ANY CLAIM THAT IT MIGHT HAVE ARISING FROM OR BASED UPON THE AUTO COURT RISKS, AND (C) ACKNOWLEDGES THAT THE DIRECTORS, THE DECLARANT, THE DISTRICTS, THE OFFICERS, THE PRINCIPAL BUILDERS, AND THE SUBDISTRICT ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE BUNGALOW COMMUNITY AREA, AND HAVE NO DUTY OR LIABILITY WITH RESPECT TO THE AUTO COURT RISKS ACCEPTED AND ASSUMED HEREBY.

7.5 Governing Law. The laws of the State of Colorado shall govern the construction, interpretation, and enforcement of this Second Supplemental Declaration, the Governing Documents, and the rights of Declarant, Occupants, Owners, and the Subdistrict.

7.6 Governmental Immunity. No Person shall construe or interpret this Second Supplemental Declaration as a limitation, modification, or waiver, in whole or in part, of any governmental immunity that may be available by law to the Districts, the City, and the Subdistrict their respective agents, contractors, directors, employees, managers, representatives, or Person acting on behalf of the he Districts, the City, and the Subdistrict and, in particular, governmental immunity afforded or available to the Districts, the City, and the Subdistrict pursuant to the Colorado Governmental Immunity Act, C.R.S §§ 24-10-101, *et seq.*

7.7 Interpretation of Second Supplemental Declaration. Except for judicial construction, the Subdistrict, by its Board, shall have the exclusive right to construe and interpret the provisions of this Second Supplemental Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the construction or interpretation of the provisions of this Second Supplemental Declaration by the Subdistrict shall be binding, conclusive, and final as to all Persons and property benefited or bound by the covenants and the provisions of this Second Supplemental Declaration.

7.8 Invalidity of Any Provision. If any court or arbiter concludes that any condition or covenant is invalid or void, then Declarant, Occupants, Owners, and Subdistrict, as the case may be, shall (a) reform such condition or covenant in a manner that will result in its being binding and valid, and (b) deem said condition or covenant severable from the remainder of this Agreement that does not affect any other condition or covenant of this Second Supplemental Declaration. No covenant or other provision set forth in this Second Supplemental Declaration shall be invalid due to its scope or breadth, and if a court concludes that such provision is invalid to any particular extent, then Persons affected by such conclusion shall deem it valid and applicable to the extent of the scope or breadth permitted by law.

7.9 Limitation on Liability. The Declarant, the Directors, the Districts, the Officers, the Principal Builders, and the Subdistrict and any agent, director, employee, member, manager, owner, officer, or representative of any of them shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

7.10 No Representations or Warranties. Except as specifically made in writing, no representations or warranties of any kind, express or implied, the Declarant, the Directors, the Districts, Officers, Principal Builders, and the Subdistricts have not made, and by this Second Supplemental Declaration do not make, any representation or warranty of any kind, nature, or type (including expressed or implied representations and warranties), regarding (a) the Bungalow Community Area, (b) any Improvement or Residence in the Bungalow Community Area, (c) compliance of the Bungalow Community Area with Applicable Laws, (d) the fitness of the Bungalow Community Area and the Residences constructed thereon for their intended use (including their physical condition and zoning), (e) the development and use of surrounding property, and (f) the maintenance of Residences (including the cost of such maintenances), the market value and marketability of Residences, mill levies assessed (or to be assessed) by Districts on Residences, the

operation and use of the Auto Courts, and the amount of real property and other taxes.

7.11 Notices. Unless specified otherwise in this Second Supplemental Declaration, any approval, consent, demand, notice, or other communication (collectively, a *Notice*) that a Person may or must give pursuant to this Second Supplemental Declaration must be made in writing and shall be addressed to (a) the Declarant, a District, Principal Builder, or the Subdistrict at their respective principal places of business, (b) an Occupant at its Residence, (c) an Owner at the Residence, or (d) such other address as a Person may designate in writing to the Subdistrict for the delivery of Notice. Bound Parties, the Declarant, Districts, Occupants, Owners, Parties, Principal Builders, and the Subdistrict shall deem a properly addressed Notice given on (w) the date personally delivered, (x) the date sent by email if the recipient of the Notice has given an email address to the sender for such purpose, (y) the next business day after given to an overnight delivery service for next day delivery, and (z) three business days after the date deposited in the U.S. mail, postage prepaid.

7.12 Owner Information. All Owners of a Residence shall provide the Subdistrict with the address to which the Subdistrict shall deliver Assessments and Notices under this Second Supplemental Declaration. The Owner (or the representative of an Owner) shall furnish such registered address to the secretary of the Subdistrict within ten days after transfer of title to the Residence to such Owner or Owners. In addition, each Owner shall register with the Subdistrict the names and addresses of all Occupants within ten days after execution of any Lease for any Residence (or portion of a Residence). Such registration shall be in written form and signed by all of the Owners of the Residence or by such persons as are authorized to represent the interests of all Owners of the Residence.

7.13 Persons Entitled to Enforce. Any Bound Party shall (a) have the right to enforce the Supplemental Covenants and Easements and the other equitable servitudes contained in this Second Supplemental Declaration and (b) resolve the enforcement of the Supplemental Covenants and Easements as a Dispute in the manner set forth in Article 5.

7.14 References in Deeds. Deeds to and instruments affecting any Residence or any other part of the Bungalow Community Area may contain the provisions set forth in this Second Supplemental Declaration by reference to this Second Supplemental Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the conditions, covenants, easements, reservations, and restrictions set forth in this Second Supplemental Declaration shall bind all Persons claiming through any deed or other instrument and its assigns and successors.

7.15 Rule Against Perpetuities. If, and to the extent that, any of the covenants or other provisions in this Second Supplemental Declaration would otherwise be unlawful or void for violation of the rule against perpetuities, the rule restricting restraints on alienation, or any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provisions concerned shall continue and endure only until the expiration of a period of twenty-one years after the death of the last to survive of the class of persons consisting of the descendants, of John Wright Hickenlooper, Jr., living at the date of the Recording of this Second Supplemental Declaration.

7.16 Waiver. No delay or omission to exercise any power or right accruing upon any default, omission, or failure of performance under this Second Supplemental Declaration shall impair any power or right or shall be construed to be a waiver of such power or right, but the holder of such power and right may exercise it from time to time and as often as may be deemed expedient. The conduct, custom, or course of dealing of a Person shall act as a waiver of a power or right and to bind a Person, all waivers must be in writing and signed by the Person waiving such power or right.

7.17 Waiver of Jury Trial. Each Bound Party shall submit all Disputes to binding arbitration in accordance with Article 5. To the extent a Dispute cannot be arbitrated or is not subject to arbitration, then each Bound Party waives the right to a jury trial in any action or proceeding based upon or related to any aspect of this Second Supplemental Declaration or other agreement or document executed or delivered in connection with the Bungalow Community Area.

7.18 Violations of Law. Any violation of any Applicable Law pertaining to the ownership, occupation, or use of any property within the Bungalow Community Area shall be a violation of this Second Supplemental Declaration and shall be subject to the enforcement procedures set forth in this Second Supplemental Declaration.

{Signature and acknowledgment of Declarant are on the next page}

