

## SERVICE AGREEMENT FOR COVENANT ENFORCEMENT SERVICES

This **SERVICE AGREEMENT FOR COVENANT ENFORCEMENT SERVICES** (“**Agreement**”) is entered into and effective as of the 6<sup>th</sup> day of November, 2014 (the “**Effective Date**”), by and between **ASH MEADOWS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **CENTURY AT ASH MEADOWS, LLC** a Colorado limited liability company (the “**Developer**”) (each a “**Party**” and, collectively, the “**Parties**”).

### RECITALS

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado and operates pursuant to its Service Plan, approved by the City of Thornton, Colorado, on April 8, 2014 (the “**Service Plan**”); and

WHEREAS, pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to Section 32-1-1004(8), C.R.S., and pursuant to the District’s Service Plan, the District may provide covenant enforcement and design review services within the District’s boundaries if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the District (the “**Property**”) name the District as the enforcement entity; and

WHEREAS, the Developer is the declarant under those certain Covenants and Restrictions of Ash Meadows recorded in the real property records of Adams County at Reception No. 2014000048903, the contents of which are incorporated herein by reference (the “**Covenants**”), which Covenants declare that the Property is and shall be subject to the Covenants and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, altered and otherwise enjoyed in accordance with and subject to the covenants and use restrictions contained therein; and

WHEREAS, the Covenants provide that it is the intention of the Developer to empower the District to provide certain services to the residents of the District, including covenant enforcement, design review, and trash collection (the “**Services**”); and

WHEREAS, the District has duly adopted a resolution of its Board of Directors, (the “**Board**”), which (i) acknowledges the District’s power to enforce restrictive covenants pursuant to state statute and acknowledges the intention of the District to provide for the uniform enforcement of the Covenants, any rules and regulations hereafter adopted by the District, as further defined in the Covenants (the “**Rules and Regulations**”), and the Guidelines, as defined in the Covenants (the “**Guidelines**”) (collectively, the “**Governing Documents**”); and (ii) authorizes the Board to implement and facilitate such uniformity in the provision of the Services throughout the Property; and

WHEREAS, the Parties desire to enter into this Agreement to further define the District's authority to administer and enforce the Governing Documents subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Incorporation of Recitals. The Recitals are incorporated into and made a substantive part of this Agreement.

2. Delegation to District. During the Term of this Agreement, as hereinafter defined, the Developer hereby assigns to the District all duties, rights and obligations concerning the enforcement of the Governing Documents. Specifically, the District is authorized as follows:

(a) Enforcement of the Governing Documents. The Covenants authorize the District to enforce the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges, and other provisions contained in the Governing Documents and to take any and all actions provided for in Article 5 of the Covenants. The foregoing enforcement actions include, but are not limited to, the following: (i) sending demand letters and notices; (ii) charging interest and/or late charges; (iii) levying and collecting fines; (iv) imposing liens; and (iv) instituting and maintaining legal proceedings against those individuals or entities that violate provisions of the Governing Documents.

(b) Guidelines. The Architectural Review Committee (the "ARC") shall be charged with promulgating, amending, and revising the Guidelines as needed and with promulgating additional and/or supplemental design guidelines (including with respect to specific portions of the Property) as authorized by the Covenants. The District acknowledges that general administration of the Guidelines is assigned by the Covenants to the ARC, as such committee is more particularly described in the Covenants. The Developer shall retain the right to appoint the members of the ARC in accordance with the terms of Section 2.1 of the Covenants. Notwithstanding the foregoing, to the extent that action is necessary to enforce the Guidelines, the District shall take such actions on behalf of the ARC.

(c) Rules and Regulations. Pursuant to Section 5.1 of the Covenants, the District may promulgate, adopt, enact, modify, amend, and repeal Rules and Regulations concerning and governing the Property. Such Rules and Regulations may, without limitation, regulate or prohibit any use, activity or practice that interferes with the peaceful enjoyment or possession and proper use of any unit, or any portion thereof, by its residents, and such Rules and Regulations may prohibit noxious or offensive activities and any activity which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others. In the event of any conflict between the Rules and Regulations and the Guidelines, the Guidelines shall control. The Rules and Regulations, if any, may contain such provisions as determined by the Board, including procedural requirements, interpretations, clarifications and applications of any provision(s) of the Covenants and law, and may include blanket requirements, blanket interpretations, and blanket applications. The Board has the authority to adopt or vary one or

more Rules and Regulations that are different for different types of units, if any. Any Rules and Regulations, if any, shall not be contrary to express provisions of the Covenants.

(d) Independent Contractors. The Parties agree and acknowledge that at any time during the Term of this Agreement, as hereinafter defined, the District may engage one or more third party independent contractors to carry out and enforce all or a portion of the provisions of the Governing Documents, this Agreement, and any supplemental documents and agreements related to the provision of the Services. Any such contractors shall be engaged under the sole direction and control of the District.

3. Covenant Enforcement Area and Revenue. During the Term of this Agreement, as hereinafter defined, the District is authorized to administer and enforce the Governing Documents within the District's boundaries, to the extent that the real property within such boundaries is subject to the Governing Documents; provided, however, that any and all revenues used to furnish the Services must be derived from the area in which the Services are furnished.

4. Effective Date and Term. This Agreement shall be effective as of the Effective Date and shall continue to be in full force and effect until either or both of the Parties terminate the Agreement (the "**Termination Date**") as provided in Section 6 herein. The "**Term**" of this Agreement shall extend from the Effective Date to the Termination Date.

5. Insurance. The District shall maintain appropriate insurance limits and coverage related to the provision of the Services described herein, and the District shall also require all service contractors to meet appropriate minimum insurance requirements.

6. Termination of Agreement and Transition of Responsibilities. Either Party may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the other Party at least ninety (90) days prior to the Termination Date. The Parties shall establish a ninety (90) to one hundred twenty (120) day transition period (the "**Transition Period**") ending on the Termination Date to unwind the mutual covenants of this Agreement related to the Services. During the Transition Period, the Parties agree to work cooperatively and in good faith to develop and execute transition procedures to minimize the risk to the District's property owners.

7. Records and Reports. Throughout the Term of this Agreement and for a period of three (3) years following the Termination Date, the District shall maintain and preserve books, documents, papers and records of any contractors or service providers providing Services on behalf of the District which are directly pertinent to this Agreement and make the same available to the Developer and any of its authorized representatives upon request at all reasonable times for the purposes of making audits, examinations, excerpts and transcriptions.

8. Access License. The Developer hereby grants and conveys to the District a non-exclusive access license (the "**Access License**") over, across, under and through any real property as may now be owned or as may be acquired in the future by the Developer for the purpose of providing access for the provision of the Services, which right of access includes, but is not limited to, the right of the District to do all things necessary to administer and enforce the Governing Documents. The Access License shall run in favor of the District and its officers,

agents, service contractors and employees. The Access License shall be effective as of the Effective Date and shall automatically terminate on the Termination Date, as each is defined in this Agreement, or upon termination of this Agreement.

9. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by electronically-confirmed electronic mail or facsimile transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To Ash Meadows:           Ash Meadows Metropolitan District  
8390 E. Crescent Parkway, Suite 500  
Greenwood Village, CO 80111-2811  
Attn: Mathew Mendisco  
Phone: (303) 779-5710  
Fax: (303) 773-2050  
Email: mathew.mendisco@claconnect.com

With a copy to:           McGeady Sisneros, P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, CO 80203-1214  
Attention: Mary Jo Dougherty  
Phone: (303) 592-4380  
Fax: (303) 592-4385  
Email: mjdougherty@mcgeadysisneros.com

To Developer:           Century at Ash Meadows, LLC  
c/o Century Communities  
8390 E. Crescent Parkway, Suite 650  
Greenwood Village, CO 80111  
Attention: Amy Anders  
Phone: (303) 268-8372  
Fax: (303) 770-8320  
Email: amya@centurycommunities.com

All notices, demands, requests or other communications shall be effective upon such personal delivery, one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service, on the date of transmission if sent by confirmed electronic mail or facsimile, or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in

accordance with the provisions hereof, each of the parties shall have the right from time to time to change its address or contact information.

10. Assignment. Neither Party shall assign any of its rights nor delegate any of its duties hereunder to any person or entity except as permitted under Sections 1.4 and 1.7 of the Covenants. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

11. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Parties any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Parties shall be for the sole and exclusive benefit of the Parties.

12. Default/Remedies. In the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, including, but not limited to, termination of this Agreement as provided in Section 6 herein. In the event of any litigation, arbitration or other proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

13. Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the District Court in and for the County of Adams, Colorado.

14. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

15. Integration. This Agreement constitutes the entire agreement between the parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

16. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

18. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

19. Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of

the terms or provisions hereof shall be binding upon the Parties unless the same is in writing and duly executed by the parties hereto.

20. Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder.

**[SIGNATURE PAGE FOLLOWS]**

**SIGNATURE PAGE TO SERVICE AGREEMENT FOR COVENANT ENFORCEMENT SERVICES**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Developer:  
CENTURY AT ASH MEADOWS, LLC

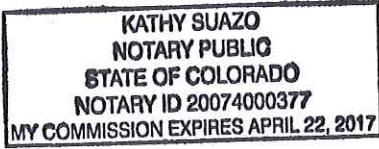
By: *Ken Rabel*  
Its: *Executive Vice President*

STATE OF COLORADO )  
 ) ss.  
COUNTY OF *Arapahoe* )

The foregoing instrument was acknowledged before me this *6th* day of *November*, 2014, by *Ken Rabel*, as *Executive Vice President* of Century at Ash Meadows, LLC.

Witness my hand and official seal.

My commission expires: *4-22-17*



*Kathy Suazo*  
Notary Public

District:  
ASH MEADOWS METROPOLITAN DISTRICT

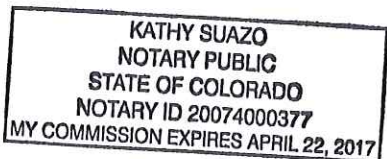
By: *[Signature]*  
President

STATE OF COLORADO )  
 ) ss.  
COUNTY OF *Arapahoe* )

The foregoing instrument was acknowledged before me this *6th* day of *November*, 2014, by Todd Amberry, as President of Ash Meadows Metropolitan District.

Witness my hand and official seal.

My commission expires: *4-22-17*



*Kathy Suazo*  
Notary Public