

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR HAMPDELN HILLS AT AURORA SUBDIVISION FILING NO. 3

(CINNAMON VILLAGE)

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR HAMPDEN HILLS AT AURORA SUBDIVISION FILING NO. 3

(CINNAMON VILLAGE)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 2nd
Day of July, 1979, by ALPERT CORPORATION, a Colorado corporation (hereinafter "Declarant").

RECITALS:

A. Declarant is the owner in fee of all of the following-described real property (the "Property") situated in the Count of Arapahoe, State of Colorado, to-wit:

HAMPDEN HILLS AT AURORA SUBDIVISION FILING NO 3, Arapahoe County, Colorado, according to the plat thereof recorded on September 11, 1978 in Book 35 at Page 53 of the records in the Office of the Clerk and Recorder of Arapahoe County, Colorado.

B. Declarant desires to establish on the Property an exclusive residential community which is designed to maximize the use of available land and which contains residential dwelling units thereon known as "pin-wheel" cluster homes, with open spaces, private parking areas and walkways, created for the benefit of said community through the granting of specific rights, privileges and easements of enjoyment which may be shared and enjoyed by all the residents thereof.

C. Declarant desires to assure the attractiveness of the individual lots and community facilities within the Property; to prevent any future impairment thereof; to prevent nuisances; to preserve, protect and enhance the values and amenities of the Property; and to provide for the maintenance of the open spaces, private parking areas and walkways. In order to achieve these objectives, Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

D. In order to preserve, protect and enhance the values and amenities of the Property, and to assure the residents' enjoyment of the rights, privileges and easements granted herein, Declarant has deemed it desirable to create an organization, which shall be delegated and assigned the powers of owning, controlling and administering all or various portions of the Property, and also administering and enforcing the covenants and restrictions herein set forth, together with collecting, dispersing and accounting for the assessments and charges herein contemplated. To this end, Declarant has caused to be incorporated under the laws of the State of Colorado, a non-profit corporation to be known as Cinnamon Village Homeowners Association.

ARTICLE I

DEFINITIONS

1.1 Declaration. "Declaration" shall hereinafter mean and refer to this Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time.

1.2 Declarant. "Declarant" shall hereinafter mean and refer to Alpert Corporation, a Colorado corporation, and its successors and assigns, if such successors or assigns acquire two or more undeveloped Lots from Declarant for the purpose of constructing residences thereon.

1.3 Association. "Association" shall hereinafter mean and refer to Cinnamon Village Homeowners Association, a Colorado non-profit corporation, its successors and assigns. The Association shall act by and through its Board of Directors and its elected officers.

1.4 Board. "Board" shall hereinafter mean and refer to the board of directors of the Association.

1.5 Property. "Property" shall hereinafter mean and refer to the following-described real property, to-wit:

HAMPDEN HILLS AT AURORA SUBDIVISION FILING NO. 3, Arapahoe County, Colorado
According to the plat thereof recorded on September 11, 1978 in Book 35 at Page 53 of
the records in the Office of the Clerk and Recorder of Arapahoe County, Colorado;

and shall also hereinafter mean and refer to any additional real property or real properties as may hereafter be brought within the jurisdiction of the Association pursuant to the provisions of Section XIII.

1.6 Common Area. "Common Area": shall hereinafter mean and refer to Tracts A, B, C, D, E, F and G on the plat for Hampden Hills at Aurora Subdivision Filing No, 3, as recorded on September 11, 1978 in Book 35 at Page 53 of the records in the office of the Clerk and Recorder of Arapahoe Count, Colorado.

1.7 Lot. "Lot" shall hereinafter initially mean and refer to each of the following parcels of real property identified on the plat for Hampden Hills at Aurora Subdivision Filing No. 3, as recorded on September 11, 1978 in Book 35 at Page 53 of the records in the Office of the Clerk and Recorder of Arapahoe County, Colorado; to-wit: Lots 1 to 4, Block 1; Lots 1 to 4, Block 2; Lots 1 to 11, Block 3; Lots 1 to 16, Block 4; Lots 1 to 4, Block 5, Lots 1 to 4, Block 6; Lots 1 to 7, Block 7, Lots 1 to 4 , Block 8; Lot 1, Block 9; Lots 1 to 4, Block 10; Lots 1 to 8, Block 11; Lot 1, Block 12; Lots 1 to 4, block 13; Lots 1 to 10, Block 14; and Lots 1 to 4, Block 15; and shall include any residence constructed thereon. (In explanation of the foregoing, Lot 1 in Block 1, together with any Residence constructed thereon, is a "Lot"; Lot 2 in Block 1, together with and Residence constructed thereon, is a separate "Lot"; Lot 3 in Block 1, together with any Residence constructed thereon, is a separate "Lot", etc.)

1.8 Mortgage. "Mortgage" shall hereinafter mean any mortgage, deed of trust or other document pledging or encumbering a Lot as security for the payment of a debt or obligation. "Mortgage" shall also mean and refer to any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is identified as the seller, whether such contract is recorded or not and whether such contract is recorded or not and whether such contract is owned by such Administrator or has been assigned by such Administrator and is owned by such Administrator's assignee or by a remote assignee and the land records in the office of the Clerk and Recorder of Arapahoe County, Colorado show such Administrator as having the record title to the Lot.

1.9 Mortgagee. "Mortgagee" shall hereinafter mean any person, corporation, partnership, trust, company or other legal entity which takes, holds, owns or is secured by a mortgage. "Mortgagee" shall also include the Administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executory land sales contract wherein such Administrator is identified as seller, whether such contract is recorded or not and the land records in the office of the Clerk and Recorder of Arapahoe County, Colorado show such Administrator as having the record title to the Lot.

1.10 Owner. "Owner" shall hereinafter mean and refer to any record owner, whether a natural person or an entity, of a fee simple title interest (including a contract seller, but excluding those having such interest merely as a security for the performance of an obligation) to any Lot; but excluding, however, any such record owner having such an interest therein merely as a Mortgagee.

1.11 Residence. "Residence" shall hereinafter mean and refer to a single-family home or other similar single-family residential unit constructed up a Lot for the permanent occupancy of an Owner and his or her family.

1.12 Class I Lot. "Class I Lot" shall hereinafter mean and refer to any Lot owned by any Owner other than Declarant.

1.13 Class II Lot. "Class II Lot" shall hereinafter mean and refer to any Lot owned by Declarant.

1.14 Side Yard Fence. "Side Yard Fence" shall hereinafter mean and refer to any fence erected as a part of the original construction, or as a subsequent replacement therefor, which connects two Lots and which one side faces an open area and on the other side faces the side or back yard of one of the Lots to which it is connected.

1.15 Side Yard Fence Owner. "Side Yard Fence Owner" shall hereinafter mean and refer to the Owner of a Lot whose side or back yard faces a Side Yard Fence.

1.16 Common Fence. "Common Fence" shall hereinafter mean and refer to any fence erected as part of the original construction, or as a subsequent replacement therefor, other than a Side Yard Fence, which is appurtenant to two or more Lots.

1.17 Common Fence Owner. "Common Fence Owner" shall hereinafter mean and refer to an Owner of a Lot appurtenant to which is a Common Fence.

ARTICLE II

OWNER'S PROPERTY RIGHTS IN COMMON AREA

2.1 Easements of Enjoyment, Ingress and Egress. Every Owner shall have, in conjunction with all other Owners, a right and easement of enjoyment in and to the Common Area and a right and easement of ingress and egress upon and across the Common Area for the purpose of getting to and from such Owner's Lot, which rights and easements shall be appurtenant to and pass with the conveyance of title to the Owner's Lot and Residence; provided, however, that such rights and easements shall be subject to the following:

2.1.1 The covenants, conditions, restrictions, easements, reservations and other provisions contained in this Declaration and contained in the plat of the Property recorded in the office of the Clerk and Recorder of Arapahoe County; and

2.1.2 The right of the Association to suspend the rights of any Owner to vote upon Association matters and to suspend any and all rights of any Owner to use the recreation facilities for any period during which any Association assessment against such Owner's Lot remains unpaid and, for a period of not to exceed 60 days, as a result of the Owner's infraction, or the infraction by any member of the Owner's family or by the Owner's guest, of any published rule or regulation of the Association; and

2.1.3 The right of the Association to dedicate or otherwise transfer, convey or assign all or any part of the Common Area, or grant easements or any other interest therein or any facility located thereon, to any public agency, public authority or utility company for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds of each class of members has been recorded.

2.1.4 The right of the Association to adopt; from time to time, rules and regulations concerning pedestrians and vehicular traffic and travel upon, in, under and across the Common Area; and

2.1.5 The right of the Association to adopt, from time to time, reasonable rules and regulations concerning the use of the Common Area as the Association may determine as necessary or prudent.

2.1.6 The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated up the Common Area.

2.2 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the Property.

2.3 Conveyance of Common Area. Declarant shall convey fee simple title to the Common Area within the Property to the Association prior to the first closing of the sale of a Lot within the Property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from fee simple title ownership of such Lot.

3.2 Present Status of Lots. As of the date of execution of this Declaration, all Lots are Class II Lots, and Declarant is the Owner of all Lots in the Property.

3.3 Classes of Voting membership. Subject to Section 3.4, the Association shall have two classes of voting membership.

3.3.1 The first class of voting membership shall be known as "Class I Voting Membership" and shall be comprised of all Owners of Class I Lots. Each Class I Lot shall be entitled to one vote. Whenever more than one person is an Owner of a particular Class I Lot, all of the Owners of such Class I Lot shall be members of the Association and the vote applicable to such Class I Lot shall be exercised as such Owners may among themselves determine, but in no event shall more than one vote be cast with respect to each Class I Lot.

3.3.2 The second class of voting membership shall be known as "Class II Voting Membership" and Declarant shall be the sole Class II member. Declarant shall be entitled to three votes of each Class II Lot owned.

3.4 Termination of Class II Voting Membership. Upon the happening of any of the events set forth below in Subsections 3.4.1, 3.4.2 or 3.4.3 (whichever first occurs) the Association shall thereafter have one class of voting membership which shall be Class I membership. Subsequent to such event, all Owners, including Declarant, shall be entitled to one vote for each Lot owned. Such events are:

3.4.1 When the total votes outstanding in the Class I voting Membership equal the total votes outstanding in the Class II Voting Membership; or

3.4.2 On January 1, 1983; or

3.4.3 On such date as Declarant shall voluntarily relinquish its Class II Voting Membership.

3.5 Owner's Address for Notices. Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given, by the Association under this Declaration to any Owner may be mailed to such Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the Lot shown upon the Associations' records as being owned by such Owner. A notice in accordance with the foregoing will be deemed to have been given by the Association on the date that it is mailed. If more than one Owner owns a particular Lot, then any notice or other written instrument to be sent by the Association may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing.

ARTICLE IV

ASSESSMENTS

4.1 Covenant of Personal Obligation of Assessments. Declarant, for each Lot owned within the Property, hereby covenants and every Owner of every Class I Lot, by acceptance of the deed or other instrument of conveyance thereof (whether or not it shall be so expressed in such deed or other instrument of conveyance) is deemed to personally covenant and agree, to pay to the Association: (a) annual assessments or charges and (b) special assessments for capital Improvements applicable to such Lot; such assessments to be established and collected as hereinafter provided. No Owner may waive or otherwise escape personal liability for the payment of the assessments provided for herein by non-use of the Common Area or by abandonment or leasing of such Owner's Lot. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, convenience and general welfare of the Owners, including the improvement and maintenance of the Common Area. Proper uses of the assessments levied by the Association shall include, but are not limited to, the expenditures or other costs incurred by the Association for" (a) repairing, replacing, insuring and maintaining the Common Area and improvements thereon, including any playgrounds, recreation areas and walkways; (b) installation, maintenance and repair of underground utilities upon, across, over and under any part of the Common Area; (c) installation, maintenance and repair of landscaping and walkways; (d) garbage and trash pickup and water and sewer service furnished to the Common Area or to Lots by the Association; (e) providing services to the Common Area such as mowing grass, caring for the grounds and sprinkling and irrigation system, landscaping, trees, shrubs, grass, walkways and pathways; (f) repair and maintenance of all common parking areas as hereinafter described in Article X hereof; (g) carrying out the powers and duties of the Association; (h) if individual meters are not installed, to provide a water service to any Residences utilizing a master meter for water, the cost thereof to be prorated on an equitable basis amount the users thereof; (i) providing for exterior painting and/or staining of the exterior surfaces of the Residences; (j) providing for the establishment of an adequate reserve fund for exterior painting and/or staining of the exterior surfaces of the Residences and/or for the maintenance, repair and replacement of Common Areas on a periodic or "as needed" basis, which reserve fund shall be a part of the regular annual assessments; and (k) any other purposes and uses that the Board shall determine to be necessary to meet the primary purposes of the Association, including the establishment and maintenance of reserves for repair, maintenance, taxes and the other uses specified above.

4.3 Assessment Years. The first assessment year for the levying of the Association's annual assessment shall commence as to all Lots upon the first day of the month immediately following the date of conveyance of the Common Area to the Association (provided, however, that if the date of such conveyance of the Common Area shall be on the first day of a month, then such date shall be the commencement date for the first assessment year) and shall continue thereafter until the following 31st of December. Subsequent assessment years shall thereafter commence on the first day of January and continue until the following 31st of December.

4.4 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be 348.00 per Lot.

4.4.1 From and after January 1 of the year immediately following conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

4.4.2 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 10% by a vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

4.4.3 The Board may fix the annual assessment at an amount not in excess of the maximum.

4.5 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Class I Lots and all Class II Lots and may be collected on a monthly basis' provided, however, the annual and special assessments on each Class II Lot shall (until such time as the certificate of occupancy is issued by the appropriate governmental authority for such Lot) be fixed at 25% of the assessment on a Class I Lot.

4.6 Special Assessments. Generally, in addition to the annual assessments authorized above, the Association may, at any time and from time to time, determine and levy in any assessment year a special assessment applicable to that particular assessment year only for the purpose of defraying, in whole or in part, the costs, fees and expenses of any construction, reconstruction, repair, demolishing, replacement or maintenance of a capital improvement upon the Common Area, specifically including any fixtures, personal property and other improvements related thereto; provided, however, that any such special assessment under this Section 4.6 shall be approved by at least two-thirds of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose.

4.7 Notice and Quorum Requirements for Certain Actions. Written notice of any meeting of the classes of voting membership of the Association for the purpose of taking any action under Sections 4.5 and 4.6 shall be given by the Board to each Owner not less than 30 days nor more than 60 days prior to such meeting and shall notify the Owner of the purpose, date, time and location of such meeting. At such meeting called, the attendance of members or of proxies entitle to cast 60% of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present at such meeting called, then subsequent meetings may be called, subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall, however, be held less than 60 days following the preceding meeting.

4.8 Commencement and Due Dates for Annual Assessment Payments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board.

4.9 Exempt Property. The following property subject to this Declaration shall be exempt from the annual and special assessments created herein: (a) all properties dedicated to and accepted by a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Colorado; provided, however, that none of such properties which are devoted to residential dwelling use shall be exempt from such assessments; and (b) the Common Area.

4.10 Liens for Assessments. The annual and special assessments provided for in this Article IV (together with any and all interest, costs, expenses and reasonable attorneys' fees which may arise under this Article IV), shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Lot and Residence to which such assessments apply. To evidence such lien upon a specific Lot and Residence, the Board may prepare a written lien notice setting forth the description of the Lot, the amount of assessments thereon which are unpaid as of the date of such lien notice, the name of the Owner thereof, and any and all other information that the Board may deem proper. The lien notice shall be signed by the President or a Vice President of the Association, or such other person as may be so authorized by the Board whose signature shall be attested by the Secretary or an Assistant Secretary of the Association, and may be recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado.

4.11 Effect of Nonpayment of Assessments. If any annual assessment or special assessment, or any monthly installment thereof, is not fully paid within 30 days after the same becomes due and payable, then in any of such events interest shall accrue at the rate of 10% per annum from the due date on any amount thereof which was not paid within such 30 day period or on the amount of the assessment in default, whichever shall be applicable. The Association may, if such assessments remain unpaid, thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same or proceed to foreclose its lien against the specific Lot and Residence in the manner and form provided by Colorado for foreclosure of mortgages in and through the courts. In the event that any such assessment is not paid in full when due and the Association shall commence such an action (or shall counterclaim or cross claim in any such action) against any Owner personally obligated to pay the same or shall proceed to foreclose its lien against the specific Lot and Residence, then the Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and foreclosure proceeding shall be taxed by the court as a part of the costs of any such action or proceeding and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the specific Lot and Residence in satisfaction of the Association's lien. Foreclosure or attempted foreclosure by the Association of its foregoing lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments which are not fully paid when due or for any subsequent default assessments. The Owner of any Lot and Residence being foreclosed upon shall be required to pay to the Association all monthly assessments for the Lot during the period of foreclosure, and the Association shall be entitled to a receiver appointed to collect the same. The Association shall have the power and right to bid in or purchase any Lot and Residence at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the Association vote appurtenance to ownership thereof, convey or otherwise deal with the same.

4.12 Successor's Non-Liability for Assessments. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

4.13 Certificate of Status of Assessments. Upon request in writing by any person and payment of a reasonable charge therefor, the Association shall furnish a certificate setting forth the amount of any unpaid assessments, interest, costs, expenses and attorneys' fees then existing against a specific Lot, the amount of the current monthly assessments and the date that the next monthly assessment is due and payable, and the amount of any special assessments then existing against the Lot and the date of the payment or payments thereof. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

4.14 Subordination of Lien for Assessments. Notwithstanding anything contained in this Article IV, the lien of the assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a first Mortgage of record and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not. The lien of such assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado law. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead exemption as against such assessment lien. Sale or transfer of any Lot shall not affect the liens for such charges except that sale or transfer of any Lot pursuant to mortgage foreclosure or pursuant to the remedies provided in the Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure or cancellation or forfeiture of an executory land sales contract shall extinguish the lien of such charges as to payments which became due prior to such sale, transfer or cancellation or forfeiture of executory and sales contract. No sale or transfer, or cancellation or forfeiture of executory land sales contract shall relieve such Lot from liability for any such charges thereafter becoming due or from the lien thereof.

4.15 Mortgagees May Pay Assessments and Cure Defaults. Provided that a Mortgagee has, in writing, requested the following information with respect to a Lot upon which the Mortgagee hold a Mortgage and has furnished the Association with the address to which the Mortgagee requests that the information be sent, then if any assessment on any Lot shall not be paid by the Owner thereof within 60 days after the same is due, or if a default by any Owner of any provision of this Declaration shall not be cured within 60 days after written notice thereof is given to such Owner, then the Association shall thereafter send a notice thereof to such Mortgagee and may (but shall not be required to) send a notice thereof to any other Mortgagee thereof. Any Mortgagee may (but shall not be required to) pay such assessment, together with any other amounts secured by the Association's lien created by this Article IV and may (but shall not be required to) cure any such default.

4.16 Mortgagees May Pay Taxes or Other Charges. The Mortgagees on any Lot may, jointly and severally, pay taxes or other charges which are in default and which may or have become a charge against any Common Area property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area property and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE V

INSURANCE AND REPAIR

5.1 Association's Duty to Obtain and Maintain Insurance. The Association shall obtain and maintain in force at all times a broad form public liability insurance policy, or similar substitute, covering the Common Area and the acts of the Association and its agents. Such insurance may include coverage against vandalism and the Association may maintain any and all other insurance coverage as the Board may deem advisable. Such insurance coverage may be written in the name of the Association as trustee for all Owners.

5.2 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Areas, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of the part of the Common Area so damaged or destroyed. All insurance proceeds received by the Association shall be deposited in a bank, savings and loan association or other financial institution with the proviso agreed to by said bank, Association or institution that such funds may be withdrawn only by signature of at least one-third of the members of the Board. The Board or, if it shall be agreed to by the Board, the insurance company or companies providing insurance proceeds, shall advertise for sealed bids from any licensed contractor, and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair and reconstruction of the damaged or destroyed Common Area. "Repair and reconstruction" as used in this Article V shall mean restoring the damaged or destroyed part of the Common Area to substantially the same condition in which it existed prior to the damage or destruction.

5.3 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may in accordance with Section 4.6, levy, assess and collect in advance from all Owners a special assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

5.4 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds received by the Association and the amounts received from the special assessments provided for in Section 5.3 hereof, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the special assessments. If there is a special assessment pursuant to Section 5.3 hereof and if there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made pursuant to such special assessments.

5.5 Notice of Loss to First Mortgagees. Provided that a Mortgagee has, in writing, requested the following information and has furnished the Association with the address to which the Mortgagee requests that the information be sent, then in the event that there shall be any damage or destruction to, or loss or taking of the Common Area which shall be in excess of \$10,000.00, then timely written notice of such damage, loss or taking shall be given by the Association to such Mortgagee.

5.6 Distribution of Insurance Proceeds or Condemnation Awards. No Owner or any other party shall have any priority over any rights of a Mortgagee of a Lot, pursuant to its Mortgage, in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Area property; provided, however, the compliance by the Association with the provisions of Sections 5.2 through 5.4 shall not be deemed to be in violation of this Section 5.6

ARTICLE VI

ARCHITECTURAL AESTHETICS

6.1 Architectural Controls. In order to maintain the architectural aesthetics of the Property, no improvements, building or other structures, and no fences (including Side Yard Fences and Common Fences), walls, patios, planters or other similar items shall be commenced, constructed, erected, altered (specifically including the altering of the exterior of any Residence), remodeled or maintained upon the Property, nor shall any exterior addition, change or alteration thereon be made until the plans and specification accurately showing the nature, kind, shape, dimensions, materials, color and location of the same shall have been submitted to, and approved in writing as to harmony of external design and the Board or by an Architectural Review Committee composed of three or more representatives appointed by the Board. In the event the Board, or the Architectural Review Committee if one then exists, fails to approve or disapprove such plans and specification within 30 days after the same have been submitted, then such plans and specification shall be deemed to have been approved as submitted.

6.2 Standards for Approval. Approval shall be based, among other things, on" (a) conformity and harmony of exterior design, colors and materials with neighboring structures; (b) relation of the proposed improvements to the natural topography, grade and finished ground elevation; (c) relation of the structure to that of neighboring structures and natural features of the Property and (d) conformity of the plans and specifications to the purpose and general plan and intent of these restriction. The Board or the Architectural Review Committee, if one then exists, shall have the right to require and approve landscaping plans. The Board or the Architectural Review Committee shall not arbitrarily or unreasonably withhold its approval of such plans and specification. Approval by the Board or the Architectural Review Committee shall not be deemed to constitute compliance with the requirements of any local building codes, and it shall be the responsibility of the Owner or other person submitting plans to the Board or the Architectural Review Committee to comply therewith.

6.3 Development by Declarant. The provisions of Sections 6.1 and 6.2 shall not apply to Declarant, nor to Declarant's development of the Common Area, Lots, Residences, Side Yard Fences and Common Fences during the construction and sales period of the first 86 Lots which are subject to this Declaration.

6.4 Owner's Failure to Perform Their Responsibilities. In the event that the Owner of any Lot shall fail to maintain such Owner's Lot, Residence and the other improvements situated thereon in accordance with such Owner's duties and responsibilities set forth in this Declaration, the Association shall have the right, through its agents and employees, to enter upon such Lot and to perform the same, and the cost thereof shall be added to and become part of the assessment to which such Lot is subject.

6.5 Address. Unless otherwise changed by the Board or by the Architectural Review Committee by due notice thereof given to the Owners, all plans and specifications require under Section 6.1 shall be submitted in person or by registered or certified mail to the follow address:

Board of Directors
Messrs. Harvey B. Alpert,
Leland J. Alpert and
Theodore J. Alpert
3600 South Yosemite, Suite 250
Denver, Colorado 80237

Attn: Any of the above

Or such other address as may be designated by the Board of Directors or Architectural Review Committee by written notice mailed to all Owners.

ARTICLE VII

MAINTENANCE BY THE ASSOCIATION

7.1 Common Area. The Association shall, as authorized and directed by the Board, have full responsibility for and control over: all maintenance, repairing and replacing of the Common Area, specifically including without limiting the generality of the foregoing, the planting and caring for the grass, trees, shrubbery flowers and similar landscape items; the installation and maintenance of a sprinkling or other irrigation system; the repairing and maintaining of Common Parking Areas described in Article X; the removal of snow, trash, garbage and other refuse; and the maintenance and repair of sidewalks, walkways and bicycle paths, if any.

7.2 Association's Responsibility for Exterior Maintenance. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows; paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

7.3 Owner's Negligence. In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner of the Lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

7.4 Agents. The Board may hire and delegate to any and all employees, agents, independent contractors or other persons or firms it deems necessary in order to perform its duties and obligation hereunder; provided, however, that such delegation shall not relieve the Association of its duties and responsibilities hereunder.

ARTICLE VIII

USE RESTRICTIONS

8.1 Compliance with Zoning. All Residences shall be used primarily for residential purposes only and shall not be used for any business, manufacturing or commercial purpose; provided, however, if the appropriate zoning so allows, an Owner ,may use a specifically designated portion of the Owner's Residence as a home business office.

8.2 Conveyance of Lots. The Common Area and all Lots, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations and other provisions contained in the Declaration, as it may be amended from time to time.

8.3 Declarant's Use. Notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible and proper for Declarant and Declarant's employees, agents, independent contractors, successors and assigns involved in the construction of Residences or in the develop0ment of the Property, to maintain during the period of development of the Property and upon such portion of the Property as is necessary, such facilities as may be reasonably required, necessary or incidental to the construction and sale of Lots and Residences and to the development of the Property, specifically including without limiting the generality of the foregoing, business offices, storage area, construction yards, signs, model units and sales offices; provided, however, that neither Declarant, Declarant's employees, agents, independent contractors, successors or assigns nor any of them shall perform any activity or maintain any facility on any portion of the Property in such a way as to unreasonable interfere with or disturb any Owner, or to unreasonable interfere with the use, enjoyment or access of such Owner, or such Owner's family members, guests or invitees of and to such Owner's Lot, parking areas or any recreational facility existing upon the Common Area and to a public way. It is expressly understood and agreed that Declarant and Declarant's employees, agents, independent contractors, successors and assigns involved in the construction of Residences or in the development of the Property may conduct reasonable business activities within the Declarant's Lots and Common Area in connection with its construction of the Residences and development of the Property.

8.4 Household Pets. No animals, livestock, poultry or bees of any kind shall be raised, bred, kept or boarded on the Common Area or any Lot, except that one dog, one cat or one other household pet may be kept on any Lot; provided, that: they are not kept, bred, boarded or maintained for any commercial purpose; they are kept in fenced backyards; and if taken outside of an Owner's backyard, such pets are kept leashed and under an Owner's control at all times. Each Owner of a pet shall be responsible for clean-up and removal from the Common Area and any Lot of such pet's excrement.

8.5 Signs and Advertising. No signs, advertising, billboard, unsightly objects or nuisances shall be placed, erected or permitted to remain on any Lot, nor shall any Lot be used in any way or for any purpose which may endanger the health, safety or life of the person or which may unreasonably disturb the other Owners. Notwithstanding the foregoing, it shall be permissible and proper for an Owner to place upon such Owner's Lot and to allow to remain thereon for a reasonable length of time one sign, at any one time, of not more than five square feet, advertising that such Lot is "For Sale" or For Rent"; provided, however, that the prior approval of the Board or Architectural Review Committee as to the color, size and location of such sign must be obtained before it is placed on such Lot; and further provided, however, that if at the time an

Owner desires to place such a sign on his Lot the Board or Architectural Review Committee is providing “For Sale” and “For Rent” signs for the use of Owners, then such sign as provided by the Board or Architectural Review Committee and no other shall be used. No signs, advertising, billboards, unsightly objects or nuisances shall be placed, erected or permitted to remain upon the Common Area, the Side Yard Fences or the Common Fences, unless the prior approval of the Board or Architectural Review Committee shall be obtained in writing, which approval may be revoked and terminated thereafter at any time. The foregoing provisions of this Section 8.5 shall not apply to any reasonable signs, advertising or billboards of Declarant in connection with its rental or sale of Lots and Residences or otherwise in connection with its development of the Property, nor shall such provisions apply to the Association.

8.6 Visible Objects and Window Sun Screening. All clotheslines, basketball backboards, equipment, garbage and trash containers, woodpiles and storage piles shall at all times be kept screened by adequate planting or fencing so as to conceal them from public view. All clotheslines shall be confined to fenced yards or patio areas. All silver foil or other sun screening material utilized on exterior windows of a Residence shall be subject to prior approval by the Board or Architectural Review Committee.

8.7 Planting. Except in any individual fenced yard or patio areas appurtenant to the Residences, no planting or gardening shall be done; and no fences, hedges or walls shall be erected, planted or maintained upon the Common Area, the Side Yard Fences, the Common Fences or upon the Lots except such as are erected, planted or installed in accordance with the initial construction of the Residences or in the development of the Property or as otherwise may be approved by the Board or Architectural Review Committee.

8.8 Patios. Maintenance, upkeep, repairs and replacement of yards and patios shall be the sole responsibility of the Owner of the specific Lot to which a patio or a Patio Easement Area (as described in Article XI) is appurtenant, and shall not in any manner be the responsibility of the Association.

8.9 Utilities within Lots. All utilities and related equipment installed within or located on a Lot commencing at a point where the utility lines, pipes, wires, conduits, systems or other related equipment enter the Lot shall be maintained and kept in repair by the Owner of the Lot. Notwithstanding for foregoing, no Owner shall do any act that will unreasonably impair the ability of any other Owner to maintain and repair the utilities and related equipment installed within such other Owner’s Lot.

8.10 Antennas. Without prior written approval of the Board or Architectural Review Committee, no exterior television, radio or other communication antennas or aerials of any type shall be placed, allowed or maintained upon any portion of the Residences, Side Yards Fences, Common Fences or Lots.

8.11 Commercial Vehicles. No commercial vehicles and no trucks shall be parked on any road within the Property except while temporarily engaged in transport to or from a residence. For the purposes of this Section 8.11, a 3/4 –ton or smaller truck, commonly known as a “pickup truck”, shall not be deemed to be a commercial vehicle or truck.

8.12 Free-Standing Mailboxes. No free-standing mailbox shall be erected upon any Residence or Lot unless approved by the Board or Architectural Review Committee.

8.13 Nuisances. No noxious or offensive activity shall be carried on upon any Lot, Side Yard Fence, Common Fence or Common Area, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the Owners of other Lots. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derricks or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

8.14 Refuse. All rubbish, trash, garbage and other refuse shall be regularly removed from the Lots and shall neither be allowed to accumulate thereon nor be burned in outside incinerators, barbeque pits or the like. All containers or other equipment for the storage or disposal of rubbish, trash, garbage or other refuse shall be kept in a clean, sanitary condition and shall be screened by adequate planting or fencing so as to conceal them from public view.

8.15 Automobile, Boar and Camper Parking. Trucks, trailers, mobile homes, truck campers, detached camper units, boats and commercial vehicles shall not be kept, placed, stored or maintained upon any Lot or on the Common Area (including the Common Parking Area) in such manner that such vehicle or boar is visible from neighboring Lots, the Common Area or any road. The provisions of this Section 8.15 shall not apply to temporary construction shelters or facilities maintained during and used exclusively in connection with the construction of any Residence or other improvement permitted by this Declaration. Commercial vehicles engaged in the delivery or pick-up of goods or services shall be exempted from the provisions of this Section 8.15 providing that they do not remain within the Lot in excess of the reasonable period of time required to perform such commercial function.

8.16 Exterior Lighting. The Owners of each Lot must provide a post light, which may be either gas or electric, located in front of their Residence at the portion thereof closest to the front street. If such post light is electric, it must be actuated by a fully automatic photo-electric cell with no manual disconnect switch and have a lamp of minimum wattage of 60 watts.

8.17 Drainage. All Owners shall leave all drainage area and easements, including swales, constructed on the Lots and on other portions of the Property in the state originally fixed by Declarant or persons or entities acting on behalf of Declarant; provided, however, that an Owner shall be permitted to modify the drainage areas on his Lot upon receiving written approval therefor from the Board or the Architectural Review Committee. Any Owner who in any way modifies such drainage areas without such consent shall be subject to sanctions contained herein for violations of this Declaration.

ARTICLE IX

FENCES

9.1 Side Yard Fences – Repair and Maintenance. Each Side Yard Fence Owner shall be responsible for maintaining and repairing such Owner’s side Yard Fence in a manner which is acceptable to the Board or the Architectural Review Committee and shall pay all costs in connection therewith.

9.2 Common Fences – Repair and Maintenance. The costs of repairing, maintaining and rebuilding Common Fences shall be the responsibility of the Common Fence Owners who make use of such Fences in proportion to each such Owners’ use thereof; provided, however, that if the Common Fence Owners cannot agree upon the repair, maintenance or rebuilding of their Common Fences, then upon 10 days’ prior written notice to all such Common Fence Owners, any one or more of such Common Fence Owners may take such action as is reasonably deemed necessary to repair, maintain or rebuild a Common Fence and the acting Common Fence Owner may make demand upon the non-acting Common Fence Owner or Owners for their contribution to the reasonable costs of such repair, maintenance or rebuilding. This Section 9.2 shall not be interpreted so as to preclude or prejudice any such acting or non-acting Common Fence Owner from demanding a higher percentage contribution from any other acting or non-acting Common Fence Owner under the rule of law regarding liability for negligent or willful acts or omissions. Furthermore. If any Common Fence Owner shall fail to maintain such Owner’s Common Fence in a condition which is acceptable to the Board or the Architectural Review Committee, the Association, upon its own initiative or upon the request of the Architectural Review Committee, shall have the right, after giving 30 days’ prior written notice to such Common Fence Owner or Owners of such failure, to take such action as is reasonably deemed necessary to repair, maintain or rebuild any such Common Fence. The costs of such action by the Association shall be added to and become part of the assessment to which such Lot is subject.

9.3 Negligent or willful acts. Notwithstanding any other provision of this Article IX, any Owner, who by his negligent or willful acts causes a Side Yard Fence or Common Fence to be damaged shall bear the whole cost of repair, maintenance or rebuilding of any such Fence.

9.4 Arbitration. In the event of any dispute concerning any Common Fence or any provisions of this Article IX related thereto, other than the rights granted to the Board, the Architectural Review Committee and the Association, each Common Fence Owner shall choose one arbitrator, such arbitrators shall choose one additional arbitrator, and a decision with respect thereto shall be made by a majority of all the arbitrators, which decision shall be binding and may be enforced in any court having jurisdiction in the State of Colorado. The costs of such arbitration shall be paid as directed by such arbitrators.

ARTICLE X

PARKING SPACES

10.1 Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of one automobile parking space, which shall be as near and convenient to such Lot as reasonably possible, together with the right of ingress and egress in and upon the parking area. The Association shall permanently assign the automobile parking space for each Lot. The right to use such parking spaces shall be deemed to run with the Lots to which they relate.

10.2 Common Parking Areas. In addition to the assigned parking spaces, the Association will establish non-assigned parking spaces for each Lot on the Property (the “Common Parking Areas”). Such Common Parking Areas shall be a part of the Common Areas shall be a part of the Common Area and shall be available for use by any person entitled to park within the Property. The association shall, however, have all rights of ownership with respect to such common Parking Areas and shall be responsible for the repair and maintenance thereof as more fully set forth in Section 7.1.

ARTICLE XI

SPECIAL EXTERIOR WALLS AND PATIO EASEMENTS

11.1 Special Exterior Walls. Each Residence shall contain one windowless exterior wall (the "Special Exterior Wall") which shall face an Adjacent Lot ("Adjacent Lot").

11.2 Patio and Repair Easements. Subject to the temporary easements hereinafter described, a perpetual exclusive easement covering the ground area between: (1) a line running the length of the Special Exterior Wall and extending to the sides of each Lot containing the Wall, and (2) the property line of each Adjacent Lot is hereby created for the benefit of the Owner of each such Adjacent Lot. Such easement areas are depicted on the recorded plat for the Property as Patio Easements and are expected to be approximately three feet in width. All Patio Easements may be used by the Owner of each Adjacent Lot for any purposes consistent with this Declaration. In addition to the Patio Easements described above, each Owner of a Lot shall have an easement on the property surrounding an adjacent Owner's Residence, whether the same is located on such other Owner's Lot, or on the perpetual easement above described, or on the Common Area, for the purpose of temporarily utilizing ladders and such other equipment as may reasonably be required to repair any Special Exterior Wall or other exterior wall or the roof of a Residence. Such easement shall be of a temporary nature and shall exist only for such reasonable period of time as is required to undertake and perform such repair and maintenance work.

11.3 Right of Owner with Respect to maintenance of Special Exterior Wall. The Owner of the Residence containing the Special Exterior Wall shall have the right at all reasonable times to enter the Patio Easement Area and such other portion of the Adjacent Lot as is reasonably necessary for the purpose of repairing, maintaining or restoring the Special Exterior Wall; provided, however, that such access shall be permitted only at reasonable times during daylight hours and with the prior knowledge of the Owner of the Adjacent Lot.

11.4 Restriction on Owner of Adjacent Lot. The Owner of the Adjacent Lot shall avoid any action which shall in any way restrict the use of the Special Exterior Wall by its Owner including, but not limited to, refraining from attaching any objects to such Wall (such as wires, trellises and plantings); defacing the Wall in any manner; placing graphics or other design work (whether painted or otherwise) on such Wall; or using the Wall as a playing surface for any sport.

11.5 Restrictions on Owner with Residence Containing Special Exterior Wall. The Owner of the Residence containing the Special Exterior Wall shall similarly be prohibited from attaching anything to such Wall or from altering it in any way other than painting the Wall in such manner as shall be approved by the Board or the Architectural Review Committee. Additionally, the Owner of such Residence shall not make any openings for windows or otherwise on such Wall and shall take no other action, except as specifically contemplated herein, in connection with such Wall which shall interfere with the privacy of the Owner of the Adjacent Lot.

ARTICLE XII

OTHER EASEMENTS AND CONVENANTS

12.1 Recorded Easements. In addition to all easements and rights-of-way of record prior to the recording of this Declaration, the Property, and all portions thereof, shall be subject to the easements as shown on the plat for the Property recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado. No fence, wall, hedge, patio, barrier or other improvement which interferes with the use and maintenance of any easement shall be erected or maintained along, on, across or within the areas reserved for easements.

12.2 Encroachments upon Lots and Common Area. The Property and all portions thereof shall be subject to any easement for encroachments created by construction, settling and overhangs, as designed or constructed by Declarant. A valid easement for said encroachments and for the maintenance thereof shall exist.

12.3 Utility Easements. In addition to the easements contained in Section 12.1 and Section 12.2, there is hereby created for the benefit of Declarant and the Association an easement upon, across, over and under all areas subject to the Patio Easements described in Section 11.2 hereof and all Common Area, Side Yard Fences and Common Fences within the Property of ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone, electrical and telephone services, to erect and maintain the necessary poles and other necessary equipment on the Patio Easement areas and on the Common Area and to affix and maintain electrical and telephone wires, circuits and conduits on, above and across the roofs and exterior walls of the Residences and all improvements situated on the Common Area. Notwithstanding anything to the contrary contained in this Section 12.3, no water, sewer, gas, telephone, electrical or antenna lines, systems or facilities may be installed or relocated over, across and on the Lots, Common Area, Side Yard Fences or Common Fences except as initially approved by Declarant, or thereafter as approved by the Board or the Architectural Review Committee. Should any utility company furnishing a service covered by the general easement herein created request a specific easement by separate recordable document, Declarant hereby reserves and shall have, and is hereby given, the right and authority to grant such easement upon, across, over or under any part of all of the Patio Easement areas, Common Area, Side Yard Fences or Common Fences of the Property without conflicting with the terms hereof. The easement provided for in this Section 12.3 shall in no way affect, avoid, extinguish or modify any other recorded easement on the Property.

12.4 Underground Electric Service. In addition to the easements contained in Section 12.1 and Section 12.3, the utility company furnishing the electrical service shall have and is hereby granted a two-foot wide easement within each Lot along and centered on the underground electric power service conductors installed from the utility company's easement to the designated point of service on the respective Residence. The foregoing easements for the underground electrical service may be crossed by driveways and walkways provided that prior arrangement with the appropriate utility company furnishing such electrical service has been made. Such easements for the underground electrical service shall be kept clear of all other improvements, including buildings, patios or other paving (other than crossing walkways or driveways) and no electrical utility company using the easements shall be liable for any damage done by it or its agents or employees to shrubbery, trees, flowers or other improvements of the Owner of the Lot covered by said easement.

12.5 Emergency Easement. An easement is hereby granted to all police, sheriff, fire protection, ambulance and all other similar emergency agencies for persons to enter upon all roads and upon the Common Area in the performance of their duties; including, but not limited to, the right of police officials to issue parking and traffic tickets for violations occurring within or without the Property.

12.6 Maintenance Easement. An easement is hereby granted to the Association, its officers, agents and employees and to any management companies selected by the Association, upon, across, over and under the Common Area, Lots, Residences (excluding the interior thereof), Side Yard Fences and Common Fences to perform any duties of maintenance and repair of the Residences and Common Area as provided for in this Declaration.

12.7 Drainage Easement and Roof Runoff. An easement is hereby granted to the Association, its officers, agents and employees to enter upon, across, over and under any Lot for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of a Lot so as to improve the drainage of water from the Lots or Common Area. It shall be the responsibility of each Owner of the Lot to take appropriate measures, whether by landscaping or otherwise, to protect an adjacent Owner's Lot or the Common Area from water running off of such Owner's roof onto such adjacent Owner's Lot or onto the Common Area.

12.8 Declarant's Reservation of Grant Utility Easements. In addition to the foregoing easements, Declarant does hereby reserve and retain the right to grant such easements as may be reasonably required over, across and under Lots or the Common Area for the purpose of providing water, sewer, gas, electric, telephone or other utilities to the Lots or Common Area or other properties adjacent thereto. In addition, grantor reserves the right, in its discretion, to convey the water mains and other lines serving the Lots and Common Area to the Castlewood Water and Sanitation District, or to any other quasi-municipal district, or to a private water company formed for the purpose of providing water service to the Lots and Common Area; provided, however, that such conveyance shall not result in a discontinuance of water service to the Lots or Common Area.

ARTICLE XIII

ANNEXATION

13.1 By the Association. The Association may at any time and from time to time annex additional residential properties and Common Area to the Property and may add additional members to its membership under the provisions of Article III; provided, however, that such annexations shall require the approval of at least two-thirds of the votes of each class of members who are voting, in person or by proxy, at a meeting duly called for such purpose and the approval of the Class II member.

ARTICLE XIV

BURDENS AND BENEFITS OF THIS DECLARATION

14.1 Covenants Running with the Property. The benefits, burdens and other provisions contained in this Declaration shall be covenants running with and binding upon the Property.

14.2 Binding Upon and Inure to Successors. The benefits, burdens and other provisions contained in this Declaration shall be binding upon, and inure to the benefit of, Declarant, the Association and all Owners and upon and to their respective heirs, executors, administrators, successors and assigns.

ARTICLE XV

DURATION AND AMENDMENT

15.1 Duration and Extension. This Declaration, every provision hereof and every covenant, condition, restriction and reservation contained herein, shall run with and bind the Property and shall continue in full force and effect for a period of 20 years from the date this Declaration is recorded, and shall thereafter be automatically extended for successive periods of ten years unless otherwise modified as hereinafter provided.

15.2 Amendment. This Declaration may be amended during the first 20-year period after it is recorded by an instrument signed by not less than 90% of the Owners, and thereafter by an instrument signed by not less than 75% of the Owners. Any amendment must be recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado.

ARTICLE XVI

EFFECT OF DEVELOPMENT PLAN, PLATS AND OTHER
DOCUMENTS FILED WITH THE COUNTY OF ARAPAHOE
AND AMENDMENT THEREOF

16.1 General Information Regarding Development Plan. The Development Plan of the Planned Unit Development of which the Property is a part, the preliminary or final plat and other related documents which are on record the office of the Clerk and Recorder of the County of Arapahoe or other applicable governmental agency (hereinafter referred to as the "Plan"), has the effect and only the effect described by the Statutes of the State of Colorado, and the rules and regulation of such County. The Plan and related documents constitute part of the public controls imposed by such County upon developers, owners, residents and users of the Planned Unit Development and do not create, and are not intended to create, any private property or contract rights in the owners and residents of the Planned Unit Development except as such rights may be created expressly by separate contracts, deeds and other documents, including this Declaration. A Planned Unit Development confers maximum benefits upon the residents when all of its elements are planned and developed in appropriate relationship to each other. The Plan on file in the office of such Clerk and Recorder or other applicable governmental agencies describes a plan of development which Declarant believes will provide maximum benefit to the residents, Owners and the public. During an extended development program, however, various factors may intervene which may hinder the effectiveness of the Plan and may threaten the benefits to be derived by the residents, Owners and the public unless the Plan is modified as prescribed by applicable law.

Accordingly, this Declaration is not intended to nor does it grant or create any private property or contract rights in the said Plan for the Planned Unit Development and the Plan continues to remain subject to modification by the property governmental authorities in accordance with the procedures set forth in the Statutes, rules and regulations of the County of Arapahoe, State of Colorado.

ARTICLE XVII

VETERANS ADMINISTRATION OR FEDERAL HOUSING ADMINISTRATION
APPROVAL REQUIRED DURING DEVELOPMENT OF THE PROPERTY

17.1 Amendments, Dissolutions, Mergers, Deductions, Etc. Until such time as the Class II Voting Membership has terminated in accordance with the provisions of Section 3.4, the prior approval of the Veterans Administration or the Federal Housing Administration shall be required for the following:

17.1.1 Amendment of this Declaration;

17.1.2 Amendment of the Articles of Incorporation or By-Laws of the Association;

17.1.3 Annexation of additional properties to this Declaration

17.1.4 Dedication or mortgaging of all or any part of the Common Area; or

17.1.5 Merger, consolidation or dissolution of the Association.

17.2 Management Contracts During Declarant's Control. Each and every management contract made between the Association and a manager or managing agent during the period when Declarant or other developer controls the Association shall terminate absolutely, and in any event, not later than 30 days after the termination of control by Declarant or other developer of the Association. All such management contracts entered into by the Association with a manager or managing agent during the period of control by Declarant or developer shall be subject to review and approval by the Veterans Administration. The provisions of this Section shall be contained, verbatim, in each and every of such management contracts.

17.3 Agreements for Professional Management or Other Contracts. Any agreement entered into by the Association for professional management or any contract providing for services of Declarant shall not exceed three years. Any such agreement or contract shall provide for termination by either party without cause and without payment of the termination fee on 90 days or less written notice.

ARTICLE XVIII

OWNERS' APPROVAL REQUIRED

18.1 Owners' Approval Required. Unless at least two-thirds of each class of members have given their prior written approval, the Association shall not be entitled to:

18.1.1 By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area, directly or indirectly; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Owners shall not be deemed a transfer within the meaning of this Subsection 18.1.1;

18.1.2 Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot;

18.1.3 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of the Residences or the maintenance of the Common Area, including the upkeep of the landscaping on the Common Area;

18.1.4 Fail to maintain fire and extended coverage on insurable Common Area property on a current replacement cost basis in an amount not less than 100% of the insurable value (bases on current replacement cost) or;

18.1.5 Use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of such property.

ARTICLE XIX

MISCELLANEOUS

19.1 Enforcement. The Association, nor any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

19.2 Non-Waiver. Failure by Declarant or any Owner or by the Association, the Board or the Architectural Control Committee to enforce any covenant, condition, restriction, easement, reservation or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

19.3 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgement or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

19.4 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

19.5 Captions. The captions to the Articles and Sections are inserted herein only as a matter of convenience and for reference and are in no way to be construed to define, limit or otherwise describe the scope of this Declaration or the intent of any provision hereof.

19.6 Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as such Owner on the records of the Association at the time of such mailing.

19.7 Invalidity. All of the conditions, covenants, restrictions and reservation contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said conditions, covenants, restrictions and reservations, or any part thereof, is invalid, or for any reason become unenforceable, no other conditions, covenants, restrictions and reservations or any part thereof shall be thereby affected or impaired.

19.8 Conflicts in legal Documents. In case of conflicts between the provisions in this Declaration and the Articles of Incorporation of the Association or by By-Laws of the Association, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the By-Laws of the Association, the Articles of Incorporation shall control.