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DONETTA DAVIDSON
ARAPAHOE COUNTY

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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MESA**



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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MESA**

RICHMOND AMERICAN HOMES OF COLORADO, INC., a Delaware corporation (the "Declarant"), as the owner of certain real property located in Arapahoe County, Colorado, and more particularly described on Exhibit A, attached hereto and incorporated herein by this reference (the "Properties"), which Properties consist of forty-nine (49) individual Lots to be sold, and related Common Area and Common Area Improvements as set forth on Plat(s) recorded or to be recorded, hereby makes the following grants, submissions, and declarations:

RECITALS

Declarant desires to provide for the preservation and enhancement of property values, and opportunities in the Properties, contributing to the personal and general health, safety and welfare of residents and for the maintenance of the Common Area and Improvements, and to this end desires to create a planned community under the authority of and in compliance with the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101, et seq. (the "Act"), and for that purpose, Declarant desires to subject the Properties, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Properties and each Owner thereof.

DECLARATION

NOW, THEREFORE, Declarant declares that the Properties and such additions as may hereafter be made are and shall be held, transferred, sold, conveyed and occupied subject to the following uniform covenants, conditions, restrictions, easements, charges and liens which shall run with the real property and be binding on all persons having or acquiring any right, title or interest in the Properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of, be binding upon, and be enforceable by Declarant, its successors in interest, each Owner and his successors in interest, and the Mesa Homeowners Association, and its successors in interest.

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I. DEFINITIONS

The following terms shall have the following meanings when used, unless the context otherwise requires:

1.1 Association. "Association" shall mean and refer to the Mesa Homeowners Association, its successors and assigns.

1.2 Board of Directors. "Board of Directors" or "Board" shall mean and include the governing body of the Association as provided in this Declaration, the Articles of Incorporation and the By-Laws thereof.

1.3 Building. "Building" shall mean and include any building constructed on the Properties.

1.4 Common Area. "Common Area" shall mean and refer to the real property described as Common Area in Exhibit B, together with all Common Area Improvements thereon and rights appurtenant thereto, and all personal property used in connection therewith. The Common Area may generally include open space, certain private streets, drives and access easements, sidewalks, fences, greenbelt areas, and any recreational amenities described in this Declaration or any Plat or Map. Common Area shall also include any additional Common Area included in the Project as a result of annexation of any land as provided in Article XIII.

1.5 Common Area Improvements. "Common Area Improvements" shall mean and refer to any and all improvements located in, under, or upon the Common Area, as originally developed and constructed by Declarant or as later added by the Association, which Common Area Improvements may include entryways, greenbelts, open space and non-dedicated and private roadways, all as may be located upon the Common Area described herein.

1.6 Common Expense. "Common Expense" shall mean and refer to:

1.6.1 Expenses of administration, operation or management, repair, maintenance or replacement of the Common Area of the Project;

1.6.2 Expenses declared Common Expenses by the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association;

1.6.3 All sums lawfully assessed against the Lots by the Board of Directors of the Association;

1.6.4 Expenses determined to be Common Expenses by the

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Association;

1.6.5 Expenses as are provided in any management agreement applicable to the Properties; and

1.6.6 Expenses incurred in the maintenance of any property over which the Association has a license and/or maintenance agreement with public agencies, authorities or utilities, including, but not limited to Public Service Company of Colorado, and Arapahoe County, Colorado.

1.7 Declarant. "Declarant" shall mean and include Richmond American Homes of Colorado, Inc., a Delaware corporation, its successors and assigns, if such successors and assigns should acquire Lots owned by Declarant and a notice of assignment of any or all of Declarant's rights hereunder is recorded in the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado, specifying the assignee of Declarant's rights.

1.8 Declarant Control Period. "Declarant Control Period" means the period of time beginning on the date on which the Declaration is recorded in the records of the Clerk and Recorder of Arapahoe County, Colorado, and ending on the happening of any of the following events, whichever occurs first:

1.8.1 Upon the date sixty (60) days after the date on which Declarant has conveyed seventy-five percent (75%) of the Maximum Number of Lots to purchasers other than Declarant or a successor Declarant;

1.8.2 Upon the date two (2) years after the date of Declarant's last conveyance of a Lot in the ordinary course of business; or

1.8.3 Upon the date two (2) years after the date on which any right to add new Lots to the Project was last exercised by Declarant; or

1.8.4 Upon the date twenty (20) years after the effective date of this Declaration; or

1.8.5 On a date certain set forth in a written notice from Declarant to the Secretary of the Association of its intent to terminate this reserved right as of such date; provided, however, that in the event there is more than one Declarant, such notice must be signed by all such Declarants.

1.9 Declaration. "Declaration" shall mean and refer to this instrument and any amendment or supplement thereto, recorded in the records of the office of the Clerk and Recorder of Arapahoe County,

Colorado.

1.10 Dwelling Unit. "Dwelling Unit" shall mean and refer to the improvements located upon any Lot built for single family occupancy as a residence which are constructed on or after the date on which this Declaration is effective within the meaning of C.R.S. §§ 38-33.3-101, et seq.

1.11 First Mortgage. "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado, encumbering any Lot having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments). "First 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 the seller, whether such contract is recorded or not, and whether such contract is owned by the Administrator or has been assigned by the Administrator and is owned by the Administrator's assignee, or a remote assignee, and the land records in the Office of the Clerk and Recorder of Arapahoe County, Colorado show the Administrator as having the record title to the Lot.

1.12 First Mortgagee. "First Mortgagee" shall mean and include the holder or beneficiary of any recorded First Mortgage.

1.13 Improvement. "Improvement" shall mean and refer to any improvement constructed on a Lot, including, but not limited to any Dwelling Unit, building, garage, out-building, structure, fixture, landscaping, site grading, driveway, sidewalk, drainage channel, culvert, roadway, fence, wall, deck, patio, shed, swimming pool, or pond, located on any part of the Project or Properties, including, but not limited to, buildings, structures or fixtures located on the Properties or any Lot prior to the recording and effective dates of this Declaration.

1.14 Licensed Property. "Licensed Property" shall mean and include any property owned by a governmental unit or entity which is maintained by the Association and used by the Members pursuant to a license agreement with a governmental unit or entity, including but not limited to Arapahoe County, Colorado.

1.15 Lot. "Lot" shall mean and refer to any separately numbered plot of land shown upon any recorded Plat(s) of the Properties, with the exception of the Common Area and any public streets, but together with any appurtenances thereto or Improvements thereon. A Lot shall be a "unit" in Mesa for purposes of C.R.S. §§ 38-33.3-101, et seq.

1.16 Lot Improvement. "Lot Improvement" shall mean and refer to any Improvements located upon a Lot in addition to a Dwelling Unit, as above defined, as such Improvements were originally installed by the Declarant or later approved for installation by the Association and intended for use in connection with the ownership of such Lot.

1.17 Map. "Map" shall mean and refer to the Map of the Project prepared in accordance with C.R.S. § 38-33.3-209, which includes a survey of the Properties, Lots and Common Area, and shall have been properly recorded in the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado, as the same may be amended or supplemented from time to time.

1.18 Maximum Number of Lots. "Maximum Number of Lots" shall mean the maximum number of Lots which Declarant may create in the Project by originally including such Lots within the Declaration or by subsequently annexing such Lots into the Project according to the provisions of Article XIII. The Maximum Number of Lots shall be the total number of lots as set forth in the Plat, unless the Maximum Number of Lots is changed by an amendment to this Declaration in accordance with Section 4.6.

1.19 Member. "Member" shall mean and refer to those persons entitled to membership in the Association. "Member" and "Owner" (as hereinafter defined) may be used interchangeably herein, unless the context provides otherwise.

1.20 Mesa. "Mesa" shall mean the Project and the Properties as defined in Section 1.26.

1.21 Mortgage. "Mortgage" shall mean and include any recorded mortgage, deed of trust or other security instrument by which a Lot or any part thereof is encumbered.

1.22 Mortgagee. "Mortgagee" shall mean and include a beneficiary under a Mortgage.

1.23 Owner. "Owner" shall mean and include any person or entity, including the Declarant, at any time owning a Lot. The term "Owner" shall not refer to any Mortgagee as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure, or any proceeding in lieu of foreclosure. The terms "Owner" and "Member" (as hereinabove defined) may be used interchangeably herein, unless the context provides otherwise.

1.24 Participating Builder. "Participating Builder" shall mean an Owner other than Declarant which acquires a portion of the Properties from Declarant and which is designated in writing by Declarant as a Participating Builder.

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1.25 Plat. "Plat" shall mean and refer to the plat of Mesa Filing No. 1, recorded November 21, 1997, in Book 144 at Pages 4-10, under Reception No. A7157541 of the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado, as the same may be amended from time to time.

1.26 Properties and Project. "Properties" and "Project" shall mean and refer to that certain real property described on Exhibit A, and any additions thereto pursuant to Article XIII hereof (any additions shall not be considered part of the Project until the procedures set forth in Article XIII have been completed). The Project shall be a "planned community" for purposes of C.R.S. §§ 38-33.3-101, et seq., as the Act exists on the date on which this Declaration is recorded in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado.

1.27 Residence. "Residence" shall have the same meaning as Dwelling Unit as defined in this Declaration.

1.28 Supplementary Declaration. "Supplementary Declaration" shall mean any Declaration of Covenants, Conditions, and Restrictions which may be recorded on a portion of the Property which is in addition to this Declaration and contains covenants, conditions, and restrictions, in addition to those set forth herein applicable only to that portion of the Property.

II. PROPERTY RIGHTS

2.1 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and any Licensed Property which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

2.1.1 The right of the Association to suspend the voting rights and right to use of any Common Area and Common Area Improvements by a Member for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any and each infraction of its published Rules and Regulations;

2.1.2 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility 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 signed by sixty-seven percent (67%) of the Members agreeing to such dedication or transfer has been recorded; and,

2.1.3 The right of the Association, in accordance with this Declaration and its Articles of Incorporation and By-Laws, to

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borrow money for the purpose of improving the Common Area or Licensed Property, or the existing Common Area Improvements, and in aid thereof, to mortgage or encumber the Properties, and the rights of such Mortgagee in the Properties shall be subordinate to the rights of the Owners hereunder.

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

2.3 Common Area and Improvements Thereon. Declarant hereby covenants for itself, its successors and assigns, that prior to the conveyance of the first Lot to an Owner other than a Participating Builder or successor Declarant, Declarant shall convey to the Association, for the benefit of all of the Owners, any Common Area and Common Area Improvement, free and clear of all liens and encumbrances, except for taxes for the current and subsequent years, and subject to easements, rights-of-way, covenants, conditions, exceptions and restrictions of record, or Declarant shall reserve a perpetual non-exclusive easement for the use of any Common Area and Common Area Improvements for the benefit of the Association and all of the Owners, free and clear of all liens and encumbrances, except taxes for the current and subsequent years and subject to easements, rights-of-way, covenants, conditions, exceptions and reservations of record. Prior to the conveyance of any Lots included in additional properties annexed into the Project to Owners other than a Participating Builder or successor Declarant, Declarant shall convey to the Association, for the benefit of all of the Owners, any Common Area and Common Area Improvements in such annexed property, free and clear of all liens and encumbrances, except taxes for the current and future years, and subject to easements, rights-of-way, covenants, conditions, exceptions and restrictions of record, or Declarant shall reserve a perpetual non-exclusive easement for the use of any Common Area and Common Area Improvements for the benefit of the Association and all of the Owners, free and clear of all liens and encumbrances, except taxes for the current and subsequent years and subject to easements, rights-of-way, covenants, conditions, exceptions and reservations of record.

2.4 Common Area Use. The Common Area and Common Area Improvements described in Sections 1.4 and 1.5 of this Declaration and any licenses obtained by the Association for use of publicly-owned properties are reserved for the common use and enjoyment of the Owners for pedestrian traffic, vehicular traffic, and other such uses common to all the Owners as determined by the Association, pursuant to the covenants, provisions, and restrictions contained herein, or as further defined in the Association By-Laws

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and any Rules and Regulations promulgated by the Association.

III. EASEMENTS

3.1 Easements for Encroachments. If any portion of the Common Area or Common Area Improvements thereon now or hereafter encroaches upon any Lot, or if any Lot or Lot Improvements thereon now or hereafter encroaches upon any other Lot or upon any portion of the Common Area, as a result of the construction of the Buildings or other Improvements, or if any such encroachments shall occur hereafter as a result of settling or shifting of any Building or other Improvements or for any other reason, a valid easement shall be deemed to exist for the encroachment and for the maintenance of the same so long as the Building or other Improvements shall exist. In the event any Dwelling Unit, Lot Improvement, or adjoining Common Area Improvement, shall be partially or totally destroyed or taken as a result of condemnation or eminent domain proceedings and then rebuilt at the same location, encroachments due to this rebuilding shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the Building or other Improvements shall stand. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Lot.

3.2 Maintenance Easement. An easement is hereby granted to the Association, to be exercised by its officers, directors, agents, employees and contractors upon, across, in, over and under the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including but not limited to the right to maintain any private streets and drives, and to construct and maintain on the Common Area maintenance and storage facilities for the use of the Association. The Association is hereby granted the right to create easements upon, across, in over and under the Common Area for installing, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone, electricity, master television antenna system, cable television, irrigation, storm sewer and drainage, if any; provided that such easements are reasonably necessary for the ongoing development and operation of the Project.

3.3 Emergency Easement. An easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Common Area and all Lots in the Project in the performance of their duties.

IV. THE ASSOCIATION

4.1 The Association. The administration of the Project shall be governed by this Declaration and the Articles of Incorporation and By-Laws of the Mesa Homeowners Association, a Colorado nonprofit corporation.

4.2 Membership. An Owner of a Lot shall automatically become a Member of the Association and shall remain a Member for the period of the Owner's Lot ownership. If title to a Lot is held by more than one person, the membership related to that Lot shall be shared by all such persons in the same proportion of interests and by the same type of tenancy in which the title of the Lot is held. An Owner shall be entitled to one membership for each Lot owned. Each membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of the Lot. No Member shall be entitled to a preemptive right or option to purchase any Lot. No person or entity other than an Owner may be a Member of the Association, but the rights of membership may be assigned to a Mortgagee as further security for loans secured by a Mortgage of a Lot.

4.3 Voting Rights; Declarant Control.

4.3.1 Voting Rights. The Owners shall comprise the only class of membership in the Association. All Owners shall be entitled to one (1) vote for each Lot owned on any matter on which voting by the Owners is permitted or required by this Declaration, the Articles of Incorporation or By-Laws of the Association. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine in accordance with the By-laws, but in no event shall more than one (1) vote be cast with respect to any Lot.

4.3.2 Declarant Control. Declarant shall be entitled, only during the Declarant Control Period, to appoint the members of the Board of Directors of the Association as provided in Section 4.4.2.

4.3.3 Notwithstanding the foregoing and during the Declarant Control Period only, the Owners other than Declarant shall be entitled to elect at least one (1) but not more than one-third (1/3) of the members of the Board of Directors, upon the happening of the following events:

4.3.3.1 At a meeting of the Association called for this purpose within sixty (60) days after the date on which Declarant has conveyed twenty-five percent (25%) of the Maximum Number of Lots to purchasers other than Declarant or a successor

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Declarant, the Owners other than Declarant shall be entitled to elect at least one (1) but not more than twenty-five percent (25%) of the members of the Board of Directors, whichever is greater.

4.3.3.2 At a meeting of the Association called for this purpose within sixty (60) days after the date on which Declarant has conveyed fifty percent (50%) of the Maximum Number of Lots to purchasers other than Declarant or a successor Declarant, the Owners other than Declarant shall be entitled to elect at least one (1) but not more than one-third (1/3) of the members of the Board of Directors, whichever is greater.

4.3.4 At a meeting called for this purpose which shall be held no later than the expiration of the Declarant Control Period, the Owners shall elect the Board of Directors of the Association which shall be comprised of at least three (3) members, at least a majority of whom shall be Owners other than Declarant or designated representatives of Owners other than Declarant.

4.4 Board of Directors.

4.4.1 The Association shall be managed by its Board of Directors. The Board of Directors shall be elected by a vote of the Owners in annual meetings or special meetings of the Association, at which a quorum is present, called for that purpose according to the Articles of Incorporation and By-Laws of the Association. The Board of Directors shall have such powers and duties and shall serve for such terms of office as are set forth in the Articles of Incorporation and By-Laws of the Association.

4.4.2 Notwithstanding the foregoing voting rights of the Owners, Declarant hereby reserves the right to appoint the Board of Directors of the Association during the Declarant Control Period; PROVIDED, HOWEVER, that during the Declarant Control Period, the Declarant shall not be entitled to vote for any members of the Board of Directors in any election held pursuant to Section 4.3.3 above. All Directors appointed by Declarant shall resign prior to the meeting of Members described in Section 4.3.4.

4.4.3 Notwithstanding any provision to the contrary in this Declaration, the Owners other than Declarant shall be entitled to remove any member of the Board of Directors, other than any Director appointed by Declarant, by the affirmative vote of sixty-seven percent (67%) of the Owners other than Declarant without the prior written approval of the First Mortgagees.

4.5 Transfer. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth or reserved herein may not be transferred or assigned to any other person or entity. No such transfer or assignment shall

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relieve the Association of any of the obligations set forth herein. No such transfer or assignment shall revoke or change any of the rights or obligations of any Owners as set forth herein.

4.6 Powers. The Association shall be granted all of the powers described in C.R.S. § 38-33.3-302, including but not limited to all powers necessary to govern, manage, maintain, repair, administer, and regulate the Project and to perform all of the duties required of the Association. Notwithstanding the preceding sentence, unless sixty-seven percent (67%) of the First Mortgagees, who have registered pursuant to Section 16.7 below (based upon one (1) vote for each First Mortgage owned or held), have given their prior written approval as provided in Section 16.8 below, and the Owners to which sixty-seven percent (67%) of the votes in the Association are allocated have given their prior written approval, the Association shall not be empowered or entitled to:

4.6.1 By act or omission, seek to abandon or terminate the Project or dissolve the Association;

4.6.2 Partition or subdivide any Lot;

4.6.3 Annex any additional land into the Project by means of an amendment to this Declaration and the procedure set forth in Article XIII hereof;

4.6.4 By act or omission, seek to abandon, partition or subdivide, the Common Area or any Common Area Improvements thereon;

4.6.5 Use hazard insurance proceeds for loss to the Common Area Improvements for other than the repair, replacement, or reconstruction of such Common Area Improvements;

4.6.6 Merge or consolidate with another project or association (other than a Residential Association), except for such provisions as may otherwise be provided herein relating to the annexation of additional lands to the Properties;

4.6.7 Except as may result from the exercise of the annexation provisions in this Declaration, change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

4.6.8 Change the voting rights or the extent of rights and easements of each Owner in and to the Common Area and Common Area Improvements thereon;

4.6.9 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of Dwelling Units, or

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the maintenance or upkeep of the Common Area; or

4.6.10 Fail to maintain fire and extended coverage on insurable Common Area Improvements on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs).

Notwithstanding the foregoing provisions in this Section, unless sixty-seven percent (67%) of the First Mortgagees who have registered pursuant to Section 16.7 (based upon one vote for each First Mortgage owned or held) have given their approval as provided in Section 16.8, and the Owners to which eighty percent (80%) of the votes in the Association are allocated have been given their prior written approval, the Association shall not be empowered or entitled to abandon, mortgage, encumber, sell or transfer the Common Area or any Common Area Improvements thereon (provided that the granting of easements for utilities, including cable television, or for other public purposes consistent with the intended uses of such Common Area by the Association shall not be deemed a transfer).

4.7 Examination of Books and Records. All Owners, First Mortgagees, insurers or guarantors of a First Mortgage of a Lot in the Project shall, upon request, be entitled to:

4.7.1 Inspect the books and records of the Association during normal business hours;

4.7.2 Receive a copy of a financial statement of the Association for the preceding fiscal year at no charge;

4.7.3 Receive written notice of all meetings of the Association and be permitted to designate a representative to attend all of such meetings; and

4.7.4 Receive current copies of this Declaration, By-Laws, Articles of Incorporation and any Rules and Regulations concerning the Project, provided that reasonable copying charges are advanced to the Association by the party requesting copies.

If requested by a holder, insurer or guarantor of a First Mortgage in writing, an audited financial statement for the immediately preceding fiscal year will be provided free of charge to the party so requesting, if available. If an audited financial statement is unavailable, then one shall be prepared at the expense of the party so requesting and furnished within a reasonable time following such request.

4.8 Turnover. Within sixty (60) days after the Owners other than Declarant elect a majority of the Board of Directors,

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Declarant shall deliver to the Association those items of property described in C.R.S. § 38-33.3-303(9) which are in existence and in Declarant's custody or control.

V. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

5.1 Common Area. The Association, subject to the rights of Owners with respect to their individual Lots, shall be responsible for the exclusive management and control of the Common Area and Common Area Improvements (including furnishings and equipment related thereto), and shall maintain and keep the same in good, clean, attractive and sanitary condition. The Association may, upon acceptable license and maintenance agreements with public agencies, utilities, or jurisdictions, assume responsibility for maintaining any sidewalks, fences, landscaping improvements and other improvements within rights-of-way and other properties owned by such public agencies, on property owned by such public agencies, utilities, or jurisdictions, including, but not limited to Arapahoe County, Colorado. The cost of such management operation, maintenance, and repair by the Association shall be borne as provided in Article VI.

5.2 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish lighting, heating, water, trash collection, snow removal, building and grounds maintenance, sewer service, firewood, and other services as appropriate to the Project. During the Declarant Control Period, any contracts or leases entered into shall contain a right of termination, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days prior written notice to the other party thereto; however, such right of termination need not be present in those contracts and leases wherein the subject matter is an essential service and where long term contracts are required. The cost of such services shall be borne as provided in Article VI.

5.3 Professional Management. The Association may obtain and pay for services of a professional "Management Contractor" to manage its affairs, or any part thereof, to the extent it deems advisable, whether such services are in lieu of, or supplemental to, the services described under Section 5.2 above. During the

Declarant Control Period, any management contracts entered into by the Association with respect to such professional management of the Properties, and any contracts that such professional management shall enter into on behalf of the Association, may not be for a term exceeding one (1) year, and must contain a provision allowing either party to cancel the contract with or without cause, and without a payment of a termination fee or penalty, upon thirty (30) days prior written notice. Further, and in connection with the Association's right to contract for management and personnel, whether on-site or off-site in nature, the Association shall have the right to limit the use of portions of the Common Area for purposes of maintenance and storage facilities, management office facilities, management housing facilities to the extent allowable, and other such purposes as deemed desirable and necessary by the Association for the purposes of management and maintenance of the Properties. The Management Contractor shall be an independent contractor and neither the Management Contractor, nor any of its employees, shall be considered as employees of the Association.

5.4 Maintenance of Individual Lots. The ownership of the Lots, together with Dwelling Units and existing Lot Improvements, shall be evidenced by a Deed to such Lot, together with the Improvements thereon. Maintenance, upkeep, and repairs of the Lots shall be the sole responsibility of the individual Owners thereof.

5.5 Identity of Board of Directors. From time to time, but not less than annually, there shall be mailed by the Association to each Owner a notice containing the names and addresses of the members of the Board of Directors, and the Management Contractor, if there is one.

5.6 Rights of Action. The Association and any Owner shall have an appropriate right of action at law or in equity against any person or other Owner to enjoin the violation of any of the provisions of this Declaration or with decisions of the Association made pursuant to this Declaration and for failure to comply with the provisions of this Declaration or with decisions of the Association made pursuant to this Declaration; and any Owner shall have similar rights of action against the Association. Any remedies granted to the Association in this Declaration shall be in addition to any remedies otherwise available to it at law or in equity.

VI. ASSESSMENTS

6.1 Obligation. All Owners (including Declarant) shall be obligated to pay the estimated assessments imposed by the Board of Directors to meet the Common Expenses of maintenance, operation and management of the Property, the Association, and the various functions and duties of the Association. The Board may establish

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any reasonable system for collection periodically of Common Expenses, in advance or arrears as deemed desirable. Initially, the assessment for the estimated Common Expenses on an annual basis shall be payable monthly in advance on the first day of each month or at such other interval as may be established by the Board of Directors. In the event a Lot is sold to a non-Declarant purchaser during the year, the annual assessment shall be prorated to the closing date and paid at closing, together with the working capital deposit required by Section 6.12 hereof. Assessments made shall be based upon the estimated cash requirements as the Board shall from time to time determine to be paid by all of the Owners. Estimated expenses shall include the cost of maintenance and operation of the Common Area, Common Area Improvements, cost of maintenance of the publicly owned properties subject to a license and maintenance agreement as described in Section 5.1, expenses of management, taxes and special assessments, unless separately assessed, insurance premiums for insurance coverage as required herein or as deemed desirable or necessary by the Board, landscaping, trash removal (if provided by the Association), care of grounds, wages, legal and accounting fees, management fees, expenses and liabilities incurred by the Board or Management Contractor under or by reason of this Declaration, payment of any deficit remaining from a previous assessment period, the creation of a reasonable contingency or other reserve or surplus fund for the maintenance or replacement of those Common Area Improvements which must be maintained or replaced on a periodic basis as well as other costs and expenses relating to the Common Area, Licensed Property, and the purposes and responsibilities of the Association. The omission or failure of the Board to fix the assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Board shall have the right, but not the obligation, to make pro-rata refunds of any assessments in excess of the actual expenses incurred after the end of the fiscal year.

6.2 Maximum Annual Assessment.

6.2.1 Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Common Expense assessment shall not exceed Fifty Dollars (\$50.00) per Lot per month.

6.2.2 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, other than Declarant, the Board of Directors of the Association may increase the maximum annual Common Expense assessment by not more than ten percent (10%).

6.2.3 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner other than

Declarant, the maximum annual Common Expense assessment may be increased by an amount in excess of ten percent (10%) by a vote of the Owners to which sixty-seven percent (67%) of votes in the Association are allocated.

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

6.3 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, and may be collected on an annual or more frequent basis, as determined from time to time by the Board of Directors. The assessment for each Lot shall be the amount of estimated expenses determined by the Board under Sections 6.1 or 6.5 divided by the total number of Lots in the Project at the time of such assessment, including any Lots owned by Declarant.

6.4 Time For Payment of Assessments. Assessments shall be due and payable on the date specified in the written notice specifying the amount of the assessment and the number, amount and due date of any installments thereof. The Association shall mail such notice to each Owner at his registered address at least annually with respect to Common Expense assessments and at least thirty (30) days before the due date of any special assessment. Each assessment shall bear interest at the rate of twenty-one percent (21%) per annum from the date it becomes due and payable if not paid within fifteen (15) days after such date, and there shall be a Twenty Dollar (\$20.00) late charge for each installment of assessment payment that is delinquent. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Lot for such assessment, but the date when payment shall become due in such case shall be deferred to a date fifteen (15) days after the due date indicated in the properly sent notice. The Association may elect to have the annual assessments paid monthly, or such other periodic basis deemed desirable by the Association; and a default in the payment of any one installment of the annual assessment shall additionally give the Association the right to accelerate the remaining amount of annual assessment as immediately due and payable, as further referenced hereinafter.

6.5 Special Assessments For Capital Improvements. In addition to the annual assessments authorized by this Article, the Board of Directors may levy in any assessment year a special assessment payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense or purchase incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent

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source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing the expense authorized by other Sections hereof which shall make specific references to this Article or as set forth in the preceding sentence. Any amounts assessed pursuant hereto shall be assessed to the Owners at a uniform rate. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners and no payment shall be due less than thirty (30) days after such notice shall have been mailed to the registered mailing address of the respective Owner. A special assessment shall bear interest at the rate of twenty-one percent (21%) per annum from the date it becomes due and payable, if not paid within thirty (30) days after such date, and there shall be a reasonable late charge as set by the Board of Directors.

6.6 Budget Ratification.

6.6.1 At least ninety (90) days prior to levying any annual or special assessment, the Board of Directors shall adopt a proposed budget of the estimated cash requirements for that assessment. Within thirty (30) days after the proposed budget is adopted, the Secretary of the Association (on behalf of the Board of Directors) shall cause to be delivered to each Owner at his or its registered address, by regular United States mail, first-class postage prepaid, the following: (i) a summary of the proposed budget, (ii) a statement of the amount of the assessment per Lot and the number and amount of any installments thereof, and (iii) a notice of a meeting of the Association which shall specify (a) that the purpose or one of the purposes of the meeting is to allow the Owners to vote on the proposed budget, and (b) the date, place and time of the meeting. The meeting shall be held not less than fourteen (14) nor more than sixty (60) days after the date on which the notice is mailed to the Owners.

6.6.2 At the meeting held pursuant to this Section 6.6, the proposed budget shall be submitted to the Owners for approval. Unless sixty-seven percent (67%) of the Owners (regardless of whether a quorum is present) affirmatively vote against approving the proposed budget in person or by proxy, the proposed budget shall be deemed ratified by the Association. In the event a proposed budget is not ratified, the most recent periodic budget in effect shall continue until the Owners ratify a subsequent budget proposed by the Board of Directors. If the proposed budget is not ratified, the Board of Directors shall propose a subsequent budget within fifteen (15) days after the date of the meeting and submit that proposed budget for ratification by the Owners in the manner set forth above for the originally proposed budget.

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6.7 Assessment Lien.

6.7.1 All sums assessed but unpaid for the share of Common Expenses or special assessments chargeable to any Lot, including any fees, late charges, fines, interest, costs or attorneys' fees, shall constitute a lien on such Lot superior to all other liens and encumbrances except (a) tax and special assessment liens on the Lot in favor of a taxing authority and (b) all sums unpaid on a First Mortgage of record, including all unpaid obligatory sums as may be provided by such encumbrance. Notwithstanding anything in the preceding sentence, the lien provided by this Article VI shall be prior and superior to a First Mortgage with respect to annual assessments for Common Expenses in an amount equal to the Common Expense assessment based on a periodic budget adopted by the Association under Section 6.6 which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien. To evidence the lien as herein permitted, the Board of Directors may but shall not be required to prepare a written notice setting forth the amount of such unpaid indebtedness, the amount of accrued penalty thereon, the name of the Owner, and a description of the Lot and record the same in the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado. Such lien for assessment shall attach from the due date of the assessment. The lien may be enforced by foreclosure of the defaulting Owner's Lot by the Association in the manner for foreclosing a mortgage on real property. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid assessments, any interest and penalties thereon, the costs and expense of the foreclosure proceedings, the costs and expense for filing the notice of the lien, and all reasonable attorneys' fees in connection therewith.

6.7.2 The Association shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Any Mortgagee holding a Mortgage on a Lot may pay any unpaid assessment payable with respect to such Lot and any and all costs and expenses with respect thereto, and the lien on such Lot for the amounts paid shall have the same priority as the lien of the Mortgage. Except as otherwise provided in Section 6.7.1 above, the lien for assessments referred to herein shall be at all times subordinate to the lien of any First Mortgage held by a First Mortgagee. By accepting a deed to a Lot, each Owner shall thereby waive and release any and all rights and claims that Owner may have in and to the Lot as a homestead exemption or any other exemption.

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6.8 Personal Obligation. The amount of any assessment chargeable against any Lot shall be a personal and individual debt of the Owner thereof. No owner may become exempt from liability for the assessment by abandonment or waiver of the use or enjoyment of any of the Common Area or Common Area Improvements. The Association may bring suit to recover a money judgment for unpaid Common Expenses plus interest, costs and expenses, including attorney's fees, without foreclosing or waiving the assessment lien provided herein.

6.9 Notice to First Mortgagee. If requested in writing, the Association shall report to the First Mortgagee of a Lot any default hereunder or unpaid assessments remaining in default or unpaid or uncured for longer than sixty (60) days.

6.10 Statement of Status of Assessment Payment. Upon payment of a reasonable fee of not less than Twenty-Five Dollars (\$25.00) (except for First Mortgagees who shall be exempt from such fee) and upon the written request of any Owner, Mortgagee or any designee of an Owner or Mortgagee, delivered to the Association by certified mail, first-class postage prepaid, return receipt requested, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Lots, which shall be delivered to the inquiring party by certified mail, first-class postage prepaid, return receipt requested to the inquiring party at his or its address set forth in such request. Unless such request shall be complied with within fourteen (14) days after receipt of that request by the Association, and if the request was properly addressed and sent by certified mail, first-class postage prepaid, return receipt requested, then all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. If the request is made by a prospective purchaser, the lien for the unpaid assessment shall be released automatically if the statement is not furnished within the fourteen (14) day period herein; provided thereafter, that an additional written request is made by such purchaser, and the submission of the additional request is properly addressed and evidenced by a certified mail receipt and the request is not complied with within ten (10) days and the purchaser subsequently acquires the Lot.

6.11 Personal Liability of Purchaser For Assessments. A purchaser of a Lot shall not be personally liable for unpaid assessments against the Lot up to the time of conveyance to purchaser.

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6.12 Working Capital and Assessment Reserves.

6.12.1 Each Owner originally purchasing a Lot from Declarant shall be required to deposit and maintain continuously with the Association an amount equal to one-fourth (1/4), i.e., three months, of the amount of the first annual Common Expense assessment, such reserve amount to be held without interest accruing to the Owner, which sum shall be used by the Association or Management Contractor as a working capital fund. This amount may be recovered by a seller from a purchaser at the time of resale. After the expiration of the Declarant Control Period, in the event the Board decides there is and will be sufficient working capital without this fund, and the reserve for repair and replacement of the Common Area is equal to or greater than the amount of the working capital fund, then this amount may be returned to each current Owner. Such advance payment shall not relieve an Owner from making the regular monthly installment payment of the annual Common Expense assessment as the same becomes due, nor shall the Association be required to deduct from such advance payment sums due for common assessments by an Owner prior to instituting any proceedings against the Owner for delinquent common assessments.

6.12.2 The Association shall establish an adequate reserve fund for the maintenance, repair and replacement of the Common Area and Common Area Improvements maintained by the Association. This reserve fund shall be maintained through regular installments of Common Expense assessments.

6.13 First Mortgagee--Foreclosure--Liability for Unpaid Assessments. Each First Mortgagee of a Lot within the Project who obtains title to the Lot pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage, or any purchaser at a foreclosure sale, will take the Lot free of any claims for unpaid assessments and charges against the Lot which accrue prior to six (6) months before the time such First Mortgagee or purchaser at a foreclosure sale obtains title to the Lot, but shall not relieve the First Mortgagee or purchaser from liability for, or lien from, any assessments made thereafter. Any unpaid assessment, which was rendered uncollectible by the effect of this Section, may be reallocated and assessed to all Lots as a Common Expense.

6.14 Association's Right of Acceleration Upon Default. In addition to the other remedies provided for the Association upon the default of an Owner in the payment of an annual assessment, special assessment, or any installment thereof, and in the event an Owner shall default in the payment of any installment of an annual or special assessment, then the Association shall have the right to declare immediately due and owing the total amount of such annual or special assessment as remains outstanding at the time of such

installment default. This right of acceleration in the event of installment default shall apply whether the Association pursues the obligation personally against the Owner or through foreclosure of the Owner's Lot, as provided above.

VII. RESTRICTIVE COVENANTS AND OBLIGATIONS

7.1 Residential. The Lots are hereby restricted to residential use and uses related to the convenience and enjoyment of such residential use. No buildings or structures shall be moved from other locations onto the Lots or Common Area; and no Common Area or Lot Improvements other than those originally planned or installed by Declarant shall be erected or constructed on the Common Area or upon any Lot unless approved by the Architectural Review Committee or its designated representative. No barn or other out-building shall be used or permitted to be kept or stored on any portion of a Lot, either temporarily or permanently, unless approved by the Architectural Review Committee. Any such buildings shall be located within the applicable setbacks and shall be constructed of the same materials and have the same exterior color as the Residence, and shall be subject to approval by the Architectural Review Committee.

7.2 Sales and Construction Facilities of Declarant. Notwithstanding any provision in Section 7.1, Declarant and Participating Builders, their agents, employees and contractors shall be permitted to maintain during the period of construction and sale of the Buildings in the Project upon such portion of the Property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient, or incidental to the construction, sale or rental of Lots and Dwelling Units including, but not limited to, construction and storage areas, construction trailers, six (6) model homes and two (2) business and sales offices located in any Lots in the Project which shall not exceed twenty-five thousand (25,000) square feet of floor space, signs, construction trailers, parking areas not to exceed ten thousand (10,000) square feet of gross area, lighting, and temporary parking facilities for all employees of Declarant, provided, however, that the limit on Declarant's right to use the Property for sales purposes shall not limit its right to use the property for construction or development purposes; provided further that these rights shall terminate no later than twenty (20) years after the effective date of this Declaration, and provided further, that such use shall not interfere in any way with the right of ingress or egress to any privately owned Dwelling Unit and the use and enjoyment thereof as a private Residence, nor the rights of ingress or egress to the Common Area and Improvements thereon, nor the use thereof for recreation or other proper purposes by the Owners and the Members, agents and Officers of the Association.

7.3 Compliance With Law. No improper or unlawful use shall be permitted or made of the Properties or any part thereof. All valid laws, ordinances, and regulations of all governmental bodies having jurisdiction over the Project shall be observed.

7.4 Rules and Regulations. Rules and Regulations may be adopted by the Board of Directors concerning and governing the use of the Common Area and Common Area Improvements, provided such Rules and Regulations shall be furnished to Owners prior to the time they are adopted and that Owners be notified as provided in the By-Laws of the Association that the Board of Directors will consider adoption of the Rules and Regulations so that Owners will have an opportunity to be heard or furnish input regarding the adoption and so that such Rules and Regulations shall be uniform and nondiscriminatory. After adoption, a copy of such Rules and Regulations shall be provided to all Owners. The Association may also adopt a fine system to impose monetary penalties for such infractions, or take judicial action against any Owner to enforce compliance with such Rules, Regulations, or other obligations, including injunctive relief or to obtain damages for noncompliance, all to the extent permitted by law. The Board of Directors may adopt and publish a fine schedule which shall list fines which shall be imposed for violations of this Declaration, the Association By-Laws, Articles of Incorporation, and any Rules and Regulations.

7.5 No Other Business. No other business activity of any kind shall be conducted in any Dwelling Unit or on the Project, except that permitted by the Association or otherwise provided herein.

7.6 Setbacks. No portion of any Dwelling Unit, garage, barn, or other building shall be located outside any applicable setback described in any Plat or other document approved by the governing municipality for the Project.

7.7 Miscellaneous Use Restrictions.

7.7.1 Fences and Walls. No fences, hedges or walls shall be erected or maintained upon the Lots except such as are installed by Declarant or Participating Builder in accordance with the initial construction of the Buildings located thereon, unless approved by the Architectural Review Committee or its designated representative. Any fences, hedges, or walls which shall be installed as part of the initial construction shall not be removed, transferred, or altered in any manner, except as approved by the Architectural Review Committee or its designated representative. The Architectural Review Committee may prohibit any fence which impairs the line of sight from any driveway to the street. No fence shall be installed which blocks or impedes established

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drainage ways. In reviewing any proposed construction of fences, the Architectural Review Committee shall apply the covenants and restrictions set forth in this Declaration or any Supplementary Declaration, any additional Design Guidelines promulgated by the Architectural Review Committee for the Project as a whole or any particular Plat, or phase of the Project, and the reasonable discretion of the Architectural Review Committee.

7.7.2 Antennas. Unless otherwise provided by law and except for any which may, at Declarant's option, be erected by Declarant's designated representative, no exterior radio or television antenna, aerial, satellite dish, or other type of radio or television receiving system shall be erected or maintained without the prior written approval of the Architectural Review Committee.

7.7.3 Transmitters. Except as otherwise provided by law, no electronic or radio transmitter of any kind other than garage door openers shall be located or operated in or on any Improvements or on any Lot without the prior written approval of the Architectural Review Committee.

7.7.4 Repair of Buildings. No Improvement upon any Lot shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner before the surfacing becomes weatherbeaten or worn off. All fences within the Property visible from any Common Area or public right-of-way shall be stained if constructed of wood. The stain or paint shall be approved by the Architectural Review Committee. Materials which are customarily left unfinished are permitted so long as in the opinion of the Architectural Review Committee they have not become unsightly.

7.7.5 Reconstruction of Buildings. Any improvement which may be destroyed in whole or in part by fire, hail, windstorm or any other cause or act of God, shall be rebuilt or all debris removed so as not to render any such property or any portion thereof, in the opinion of the Board, unsanitary, unsightly, offensive or detrimental to any other property or to its occupants.

7.7.6 Nuisances. No noise or other nuisance shall be permitted to exist or operate upon any Lot so as to be, in the opinion of the Board, offensive or detrimental to any other property or its occupants. Without limiting the generality of any of the foregoing provisions, no exterior lights, speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any Lot without the prior written approval of the Board. No rubbish or debris of any kind shall be placed or permitted to

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accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof, in the opinion of the Board, unsanitary, unsightly, offensive or detrimental to any other property or to its occupants.

7.7.7 Unsightly Articles. No unsightly article shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. 'Without limiting the generality of the foregoing, trailers, mobile homes, recreation vehicles, graders, trucks other than pickups used solely for the private and non-business use of the residents of a Dwelling Unit, boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters, snowmobiles, snow removal equipment, garden and maintenance equipment, and all commercial and business vehicles shall be kept at all times, except when in actual use, in an approved garage, out-building or in a storage facility located off the Project.' (No equipment, tools, lumber, grass, plant waste, shrub or tree clippings, metals, building materials or scrap shall be kept, stored or allowed to accumulate on any property.) No lawn or yard art shall be allowed on the Property or on any Lot without prior approval of the Architectural Review Committee. The Association shall have the right to enter upon any Lot in order to remove any vehicle or other unsightly article located upon any Lot in violation of this Section and store the vehicle or article in a storage facility off the Project site. Any costs or expenses incurred by the Association shall be borne by the Owner as provided in Section 7.8. (Except for short-term use by guests or invitees of the Owner, no more than three (3) vehicles shall be kept on any Lot. The Owner shall be entitled to park one (1) passenger car, pickup truck or utility vehicle outside an attached garage on the Owner's Lot on an occasional basis for a period which shall not exceed twenty-four (24) consecutive hours.) To the extent an Owner utilizes space in the attached garage for other than storing vehicles, the Owner shall be permitted to keep one (1) less vehicle for each garage space so utilized. Without limiting the generality of the foregoing:

(i) No commercial-type vehicles, other than pickup trucks not in excess of three-quarter (3/4) ton as defined by the Colorado Motor Vehicle Department which are solely for personal use, shall be allowed on the Common Area, any Lot, or any street or driveway in the Project except while engaged in transport to and from any Building or Lot. For purposes of applying this provision, any vehicle having any advertising material affixed to its exterior shall be deemed a "commercial-type" vehicle.

X (ii) All vehicles stored or parked on any portion of the Project for any period of time must be properly licensed by the State of Colorado, except those vehicles belonging to visitors or guests of an Owner.

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(iii) No pickup trucks shall be permitted on any portion of the Project which carry a camper shell extending vertically above the roof of the truck cab for more than six (6) inches.

(iv) No recreational vehicles may be parked or stored on any portion of the Property at any time, except during transport to or from a Building or Lot, or for purposes of loading or unloading, for a period not to exceed twenty-four (24) hours. Notwithstanding the preceding sentence, upon prior written approval of the Architectural Review Committee, a recreational vehicle owned by an Owner's visitor or guest may be parked on the Owner's Lot or an adjacent street or drive for a period not to exceed seventy-two (72) hours.

(v) No trailers of any kind shall be allowed on any portion of the Project except while directly engaged in transport to or from a Building or Lot.

X (vi) No abandoned or inoperative vehicles of any kind shall be parked or stored on any portion of the Project, except in an approved garage or out-building. An "abandoned or inoperative vehicle" shall be defined as any vehicle which is not currently licensed or has not been driven under its own propulsion for a period of three (3) days or longer; provided, however, that this definition will not include vehicles properly parked by Owners while on vacation or traveling. The Association may cause a written notice describing the "abandoned or inoperative vehicle" and requesting removal thereof to be served on the Owner in possession of the vehicle or Lot on which the vehicle is located, or posted on the vehicle itself. If the vehicle shall not have been removed within twenty-four (24) hours after service or posting of that notice, the Association shall have the right to enter the Lot, if necessary, and to remove the vehicle from the Project and store the vehicle off-site without any liability to the Association. Any costs and expenses, including reasonable attorney's fees, incurred by the Association, in connection with service or posting of any notice, or removal, transportation and storage of any "abandoned or inoperative vehicle" under this Section shall be borne by the Owner as provided in Section 7.8.

7.7.8 Storage. No Lot shall be used as storage or work space for rebuilding any motor or other vehicles described in Section 7.7.7, unless such repair or rebuilding is performed entirely within an approved garage with the door kept closed at all times (except under such circumstances in which a closed door would create a health or safety hazard); provided, however, that no vehicle under repair shall be permitted to become an unsightly article or nuisance. No Lot shall be used for the storage of explosives, gasoline or other volatile, inflammatory or incendiary

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materials or devices. Gasoline, oil, propane or other fuel used in the operation of a snow blower, lawnmower, barbecue grill or the like may be kept within an attached garage if stored in a safe manner in a container designed for the purpose of storing such materials, and which will prevent accidental spills and fires. The Owner shall be solely responsible for maintaining any fuel or other volatile substances in compliance with all applicable laws, any Rules and Regulations imposed by the Association and any requirements imposed by any underwriter of any insurance policy maintained by the Association.

7.7.9 Signs and Flags. No sign or flag of any kind shall be displayed to the public view on any Lot; provided, however, that signs and United States or Colorado flags of reasonable size not to exceed five (5) square feet may be displayed on or from a Residence. Any such signs shall be solely for advertising the Residence for sale or lease or indicating that the residence has been "sold" for a period of two weeks after closing. Signs and flags used for sale, administration and directional purposes by Declarant during development of the Project will be permitted without the consent of any Owner or First Mortgagee.

7.7.10 Single-Family Use Only. No Lot and no Residence on any Lot shall be used for any purpose other than for a one single-family residence. However, nothing in this Declaration shall prevent the lease of a Lot by the Owner thereof for residential purposes; provided that such lease shall be in writing and for a minimum term of six (6) months. No commune, co-operative or similar type living arrangement shall be permitted on any Lot.

7.7.11 Hazardous Activities. No activities shall be conducted on any Lot, Common Area or Licensed Property and no Improvements constructed on any Lot, Common Area, or Licensed Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot and no open fires shall be lighted or permitted on any Lot, except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

7.7.12 Garage Sales. No garage, patio, porch or lawn sale shall be held on any Lot, except that the Owner of any Lot may conduct such sale if the items sold are only his own furniture and furnishings, not acquired for purposes of resale; if such sale is held at such time and in such manner as not to disturb any other resident of the area; and if such sale is held in full compliance with all applicable governmental ordinances, statutes, resolutions, rules and regulations, on an infrequent, occasional basis.

7.7.13 New Construction. All Dwelling Units shall be of

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new construction and no existing Dwelling Unit shall be moved onto any Lot. No other building (including but not limited to playhouses and storage sheds) may be moved onto a Lot without the prior written approval of the Architectural Review Committee and without compliance with the restrictions set forth in this Article VII.

7.7.14 Storage of Building Materials. No building materials shall be stored on any Lot except temporarily during continuous construction of an Improvement or its approved alteration or improvement.

7.7.15 Temporary Structures. No trailer, mobile home, tent or shack or other temporary building, improvement or structure shall be placed upon any property, except that temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained by Declarant or Participating Builders, or by an Owner with the prior approval of Architectural Review Committee, such approval to include the nature, size and location of such structure.

7.7.16 Basketball Hoops. Basketball hoops shall only be allowed if the backboard is affixed to the attached garage of the Residence and painted the same color as the Residence; or as otherwise approved by the Architectural Review Committee.

7.7.17 Landscaping. All portions of a Lot not improved with the Residence, driveway, walkways, patios or decks (referred to as the unimproved area of a Lot) shall be landscaped by the Owner thereof, other than Declarant or a Participating Builder, except in cases where Declarant or Participating Builder rents the Residence for residential occupancy, in which event Declarant and Participating Builder shall have the obligation to install landscaping in accordance with this paragraph. All landscaping shall be installed in accordance with landscaping plans submitted to and approved by the Architectural Review Committee which shall be drawn to scale and shall set forth the location of landscaping, type of landscape materials, and be in accord with the requirements of this paragraph and other provisions of this Declaration. The front yard of each Lot improved with a residence shall be fully landscaped, as approved by the Architectural Review Committee, no later than six (6) months after the date of conveyance from Declarant or a Participating Builder to a third party purchaser, or the first date of occupancy for residential purposes, whichever first occurs, and the balance of each Lot shall be fully landscaped, as approved by the Architectural Review Committee, no later than twelve (12) months after the earlier of said dates. A minimum of seventy-five percent (75%) of the unimproved area of each Lot shall be landscaped utilizing "long lived" ground cover

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such as bluegrass, brome fescue, shrubs, and trees. A maximum of twenty-five percent (25%) of the unimproved area of each Lot may be landscaped with a combination of non-living durable landscape materials and short lived landscape materials. The landscaping plan shall include an adequate underground sprinkler system which shall be installed at the time of initial landscaping. The front yard of each Lot is defined as that area between the street and a line extended from the front corners of the residence to each side lot line. The landscaping of each Lot having once been installed shall be maintained in a neat, attractive, sightly and well-kept condition, which shall include lawns mowed, hedges, shrubs, and trees pruned and trimmed, adequate watering, replacement of dead, diseased or unsightly materials, and removal of weeds and debris.

7.7.18 Vegetable Garden. Vegetable gardens are prohibited except in screened back yard areas, and only then when part of an approved landscape plan.

7.7.19 Livestock, Poultry, and Pets. No animals or pets other than domesticated dogs, cats, and other common household pets shall be allowed on the Property. Raising or keeping livestock such as horses, cows, sheep, goats, poultry, pigs, swine and the like is prohibited. No Owner shall keep more than two (2) common household pets on any Lot at any time, provided that they are not kept, bred or maintained for any commercial purpose. All common household pets shall be allowed upon any Lot subject to any applicable ordinances imposed by any governmental entity having jurisdiction over the Project. (All household pets shall be controlled by their owners at all times, and shall not be allowed off their owner's Lot except when properly leashed and accompanied by the pet owner or his representative.) Each Owner of a Lot shall be financially responsible for any damage caused by a household pet kept on the Owner's Lot. The Association shall have the right to repair any damage caused by any such household pet, and the cost of any repairs shall be borne by the Owner as provided in Section 7.8.

7.7.20 Roofing. In single-family residential areas, all roofs shall be covered with good grade asphalt shingles or other similar high quality materials as specifically approved by the Architectural Review Committee.

7.7.21 Colors. All exterior painting or staining shall be of colors in harmony with the other existing homes in the neighborhood or of colors similar to those originally employed in the neighborhood. In general, only those areas that were stained originally shall be restained; unpainted surfaces and unstained areas, such as brick or stone, shall not be painted or stained unless specifically approved by the Architectural Review Committee.

7.7.22 Windows. All windows shall have painted or

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stained wood, vinyl or non-reflective metal frames and dividers. No reflective glass is permitted.

7.7.23 Window Coverings. All windows shall be covered with curtains, drapes, or other acceptable coverings within no more than six months of occupancy. Window coverings visible from the exterior shall be compatible with the architectural character of the residence. Reflective shades or film type window coverings are specifically prohibited.

7.7.24 Solar Panels. Any solar panels and related appurtenances and equipment, whether included in the original construction or added at a later date, shall be designed and constructed so as to appear as an integrated part of the building architecture. This shall generally mean that the panels shall be roof mounted so that the top surface is flush with the roof surface, with all appurtenances recessed into the structure's attic. When solar orientation prohibits this approach, the roof shall be altered so that the panels appear to be "built-in", i.e., shall not be visible. If panels are ground or wall mounted, they shall be integrated into the structure using compatible materials so that the panels appear as a natural extension of the house.

7.7.25 Garages. All single family detached residences within the Project shall have garages with the capacity for at least two (2) cars. No garages (or combination of garages or covered parking areas) shall have the capacity for more than four (4) cars.

7.7.26 Firewood. Firewood shall be neatly stacked and shall be located within the confines of a screened enclosure such as a fence or wall and shall not exceed six feet (6') in height.

7.7.27 Swimming Pools/Hot Tubs. Any swimming pools, spas, hot tubs, jacuzzis, and the like shall be screened from view of adjacent Lots and rights of way, by screening materials and methods approved by the Architectural Review Committee.

7.7.28 Mechanical Equipment/Utilities. All utilities shall be installed underground. On-grade utility appurtenances, such as electrical transformers, utility meters, etc., shall be screened using approved means. Mechanical equipment, such as air conditioners, heating equipment, etc., shall be installed as an integral part of the architecture whenever possible. Under no circumstances shall these items be roof mounted or located in such a way that they are visible from neighboring properties or public streets.

7.7.29 Dog Houses/Runs. Dog houses, shelters, and runs shall be completely screened from the view of adjacent public or

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private properties and streets, and shall be built from materials compatible with the Residence.

7.7.30 Exterior Lighting. Exterior lighting shall not be directed in such a manner as to create an annoyance to adjoining properties. High wattage area lighting ("yard lights") are prohibited. Illumination of roofs or features on roofs is prohibited.

7.7.31 Play Equipment. Play equipment may be erected within a fenced or screened area, but shall require the approval of the Architectural Review Committee prior to installation. Play equipment shall be of an appropriate scale and approved materials and color. Equipment utilizing natural materials (wood vs. metal) is preferred.

7.7.32 Driveways. Any modification to a driveway shall require the approval of the Architectural Review Committee prior to construction or installation. In no case shall the width of the driveway at the curb be widened. Any widening inbound of the curb shall be smoothly transitioned back to the curb.

7.7.33 Retaining Walls. Any retaining walls shall require approval of the Architectural Review Committee prior to construction or installation. The applicant is encouraged to use materials that are compatible with the building construction (wood painted or stained to match the house, brick or stone to match the house, etc.). Retaining walls which divert water onto other properties or otherwise substantially alter existing drainage patterns are prohibited.

7.7.34 Site Grading. Any change to site grading shall require the prior approval of the Architectural Review Committee. No new grading shall divert water onto other properties or otherwise alter existing drainage patterns. Care shall be taken to keep water away from foundations. Downspouts shall discharge onto splash blocks or other devices to prevent saturation of soils at foundations. Irrigation of plant material shall be kept away from the foundation. Patios, lawn areas, shrub beds, etc., shall be sloped positively away from foundations to prevent puddling of water.

7.8 Failure to Maintain. In the event that the Owner of a Lot shall fail to maintain the Lot and Improvements thereon in a manner consistent with the requirements of this Declaration or any Supplementary Declaration, the Architectural Review Committee or the Association, its Management Contractor, agents, contractors and employees shall have the right, in addition to any other remedies, to enter upon the Lot and to repair, maintain, and restore the Lot, the exterior of the Residence, and any other improvements on the

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Lot in the manner contemplated by this Declaration and any Supplementary Declaration. The cost of such maintenance, repair, and restoration shall be the responsibility of the Owner and shall be added to and become a part of the annual assessments applicable to the Lot.

VIII. ARCHITECTURAL REVIEW COMMITTEE

8.1 Membership.

8.1.1 The Board of Directors may appoint an Architectural Review Committee (hereinafter referred to as the "Architectural Review Committee") which shall be composed of three (3) or more members. In the event no such appointment is made, then the Board of Directors shall constitute the Architectural Review Committee and shall have all of the duties and responsibilities of the Architectural Review Committee as set forth herein. Any member of the Architectural Review Committee not appointed by Declarant may be removed by the Board of Directors at any time.

8.1.2 In the event of death, disability, or resignation of any member of the Architectural Review Committee, the Board of Directors shall have (from either the Architectural Review Committee or the Board of Directors) authority to designate a successor or successors.

8.1.3 An affidavit executed by a majority of the members of the Architectural Review Committee, and recorded in the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado, or maintained in the Association's records shall be sufficient evidence of the membership and of the other recitals therein contained.

8.2 Evidence of Action. The Architectural Review Committee's approval or disapproval as required in this Declaration shall be in writing, as indicated by the signatures of a majority of the Architectural Review Committee or its designated representatives. The Architectural Review Committee shall not be required to maintain records of plans submitted. Approval by the Architectural Review Committee shall be conclusive evidence of compliance with this Declaration, provided that Improvements are constructed in substantial compliance with the plans as approved. The Architectural Review Committee shall exercise reasonable efforts to approve or disapprove plans submitted to it within thirty (30) days after submission. In the event the Architectural Review Committee fails to approve or disapprove a proposal within sixty (60) days after plans and specifications have been submitted to it by hand delivery against a written receipt or by mailing, certified mail, first-class postage prepaid, return receipt requested to the

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Architectural Review Committee at the address designated by the Association, or, in any event, if no suit to enjoin the proposed construction has been commenced within one (1) year after the proposed construction had begun and became apparent, such approval will not be required, and the related covenants shall be deemed to have been complied with fully.

8.3 Duties. The Architectural Review Committee shall act upon and approve or disapprove any and all matters to be submitted to the Architectural Review Committee pursuant to any of the provisions of this Declaration and shall have all duties and powers as are hereinafter provided and set forth. The Architectural Review Committee may, in its sole discretion, employ a licensed architect and/or registered professional engineer to review plans and specifications submitted to the Architectural Review Committee and make recommendations to the Architectural Review Committee with regard to the Architectural Review Committee's decision to approve or disapprove any submission or to perform any inspections of any work in progress or after completion as provided in Section 8.6. Neither the members of the Architectural Review Committee nor its designated representative shall be entitled to any compensation for services performed, nor shall the Architectural Review Committee or any member thereof be liable, in any manner, for any action or failure to act done in good faith arising out of their service on the Architectural Review Committee.

8.4 Approval of Plans.

8.4.1 All plans and specifications in connection with the construction (which is commenced on or after the effective date of this Declaration) of any Improvements, including but not limited to any Dwelling Unit, swimming pool, ancillary structure, exterior lighting, machinery, solar panel or installation, deck, patio, patio enclosure, fence, wall, driveway, out-building, or other structure, and in connection with any grading, landscaping or gardening of any portion of the Lot, including without limitation, the removal or planting of any trees, shrubs or other vegetation, exterior maintenance and remodeling of any Dwelling Unit or other structure, including, but not limited to, changing the initial color or exterior materials of the Dwelling Unit, or any other Lot Improvements or appurtenances, such as mailboxes, or any alteration of any of the above described improvements to a Lot shall be submitted to the Architectural Review Committee or its designated representative for its prior written approval.

8.4.2 Before any construction or alteration begins, plans and specifications showing the nature, kind, shape, height, materials, and location, the exterior design the exterior materials to be used, the color scheme, the site plan, a topographic survey, the location of the driveway and sidewalks and plans for the proper

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landscaping and drainage of the Lot with respect to adjacent Lots must be submitted to the Architectural Review Committee for its prior written approval.

8.4.3 The Architectural Review Committee shall determine in its sole discretion whether to approve any plans submitted to it for review. In passing upon such plans, specifications and other requirements, the Architectural Review Committee may take into consideration whether the proposed Residence or other structure or alteration and the materials of which it is to be built are reasonable and suitable for the Lot upon which the Residence or other structure or alteration is to be erected, the harmony thereof with the surroundings, and the effect of the Residence or other structure or alteration as planned on the outlook from and/or property values of adjacent or neighboring property.

8.4.4 No Residence, Improvement, fence, wall, driveway, landscaping, structure or alteration of any kind, including, but not limited to, those specifically described in this Article VIII, which has not received such prior written approval by the Architectural Review Committee and which does not fully comply with such approved plans and specifications, shall be erected, constructed, placed, or maintained upon any Lot. No changes or deviations in and from such plans and specifications as so approved shall be made without the prior written consent of the Architectural Review Committee. The Architectural Review Committee shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications.

8.4.5 In passing upon such plans, specifications, and other requirements, the Architectural Review Committee may, in the exercise of its sole discretion, apply the pertinent requirements and considerations set forth in the covenants and restrictions set forth in this Declaration or any Supplementary Declaration or any additional Design Guidelines promulgated by the Architectural Review Committee for the Project as a whole or any particular Plat, or phase of the Property.

8.5 Contractor Suitability.

8.5.1 No contractor (including an Owner acting as a contractor) shall perform any work on any Lot, including without limitation, any construction, repair or modification of any Improvement, grading, landscaping or gardening, or the construction, repair or modification of any structure of any kind on a Lot ("Work") without the prior approval of the Architectural Review Committee. No Owner shall commence any Work or permit any contractor to commence any Work unless and until the Architectural Review Committee has approved the contractor as provided in this

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Section. The Architectural Review Committee may require any Owner to submit one or more contractors for approval at the time the Owner submits the plans and specifications for the Work to the Architectural Review Committee for its prior approval as provided in Section 8.4.

8.5.2 The Architectural Review Committee shall have the right, in its sole discretion, which may be exercised prior to or after the commencement of any Work on any Lot, to disapprove the selection by any Owner of a contractor (including an Owner acting as a contractor) for the construction, repair or modification of any Improvement, grading, landscaping or gardening, or the construction, repair or modification of any other structure of any kind on any Lot, including any contractor previously approved by the Architectural Review Committee. The Architectural Review Committee may exercise its right to disapprove any contractor based upon any of the following grounds: (1) a belief that the contractor is not financially responsible; (2) the contractor's failure to comply with approved plans and specifications in work previously performed on any Lot or the Properties; or (3) that the contractor cannot complete the construction or other work requested by the Owner in accordance with the standards imposed by the Architectural Review Committee. The Architectural Review Committee shall have no duty to investigate any facts supporting its decision to disapprove any contractor, including without limitation the contractor's financial responsibility, the contractor's past performance or the contractor's present undertakings. In the event the Architectural Review Committee disapproves a contractor after it has begun work, the Association shall have the right to contract for the completion of the work at the Owner's expense. Any costs or expenses incurred by the Association shall be borne by the Owner as provided in Section 7.8. Neither the Association, the Architectural Review Committee nor its members shall be liable to any Owner, contractor or any person for any damages or costs incurred with respect to or as a result of the Architectural Review Committee's decision to disapprove any contractor under this Section.

8.6 Approval of Contractor; Inspection of Work.

8.6.1 No Owner or contractor shall commence construction of any improvement, excavation, grading, landscaping, gardening or construction of any structure, Building or Improvement of any kind to be located on any Lot ("Work"), until the Architectural Review Committee has approved the plans and/or specifications therefor and the Owner has provided the Architectural Review Committee with a valid building or other permit, if required, issued by any governmental agency having jurisdiction over the Project. No contractor shall commence any work on any Lot unless and until the Architectural Review Committee has approved the contractor as

provided in Section 8.5.

8.6.2 In addition to all restrictions imposed on any Work, all utility connections on any Lot must be approved by the Architectural Review Committee prior to installation.

8.6.3 The Architectural Review Committee shall have the right to inspect any Work done by an Owner or contractor at any time during the period the Work is being performed or after the Work has been completed to ensure that the Work complies with the plans approved by the Architectural Review Committee. If the Architectural Review Committee determines, in its sole discretion, that the Work is not being performed in accordance with the approved plans and/or specifications, the Architectural Review Committee shall have the right to require the contractor, or the Owner as the case may be, to immediately terminate all Work being performed upon the Lot. The Architectural Review Committee may enforce the provisions of this Section by means of an appropriate action to enjoin the violation of this Declaration as provided in Section 5.6.

8.6.4 Upon completion of any Work, the Owner shall, to the greatest extent possible, restore the Lot to the condition which existed prior to the commencement of such Work (taking into account the Work itself) so that the Lot and any Improvements or other structures on the Lot shall be, to the greatest extent possible, in harmony with the surrounding natural environment. If a Certificate of Occupancy is issued with respect to the Work prior to September 15 of any calendar year, the Owner shall complete the restoration within forty-five (45) days after the date of issuance of that Certificate of Occupancy or actual occupancy of the Lot, whichever first occurs. If a Certificate of Occupancy is issued or actual occupancy of the Lot takes place after September 15 of any calendar year, the Owner shall complete the restoration of the Lot prior to June 1 of the following year. In the event the restoration is not complete as and when required, the Association shall have the right to complete the restoration of the Lot at the Owner's expense. Any costs and expenses incurred by the Association shall be borne by the Owner as provided in Section 7.8.

8.7 Declarant; Participating Builders. Notwithstanding any provision to the contrary in this Declaration, neither Declarant nor any Participating Builder, nor any contractor or subcontractor performing work for any Participating Builder, shall be subject to any approval or inspection as provided in Section 8.5 or 8.6 or subject to any of the provisions of Sections 7.7.4, 7.7.5, 7.7.6, 7.7.7, 7.7.8, 7.7.10 and 7.7.11. The Architectural Review Committee shall have no right to control any work performed by or on behalf of Declarant or a Participating Builder which has obtained approval for plans as provided in Section 8.4. This

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Section shall be a complete defense to any action by the Architectural Review Committee to enforce the provisions of Section 8.5, 8.6, 7.7.4, 7.7.5, 7.7.6, 7.7.7, 7.7.8, 7.7.10 or 7.7.11 against Declarant or a Participating Builder or any contractor or subcontractor performing work for Declarant or a Participating Builder.

8.8 Reserved Right of Declarant. Notwithstanding the above provisions, and until Declarant has conveyed its last Lot to a purchaser, Declarant shall have the right, and the right is hereby specifically reserved unto Declarant, to appoint the members of such Architectural Review Committee and to fill any vacancies therein created. (This Section supersedes the authority granted in Section 8.1 above.)

8.9 Binding Agreement to Pay Legal Costs. In the event that an Owner shall dispute the determination of the Architectural Review Committee and files a lawsuit to overrule, vacate or otherwise mitigate the effect of any determination of the Architectural Review Committee, or if an Owner fails to submit for approval any action as required by Section 8.4 and the Architectural Review Committee any Owner, or the Association brings an action to enforce these provisions, then the Owner and the Association are hereby bound to the agreement that any and all costs, including reasonable attorney's fees, associated with the institution and defense of such a suit, shall, to the extent permitted by a court of competent jurisdiction, be paid to the prevailing party by the losing party.

8.10 Variance. The Architectural Review Committee may, in its sole discretion, grant reasonable variances or adjustments from any conditions or restrictions imposed by this Declaration. A variance or adjustment shall only be granted if it is not material, detrimental or injurious to the other property or improvements to the neighborhood, and shall not defeat the general intent and purpose of this Declaration. Any variance granted by the Architectural Review Committee shall not affect or negate the requirements of any other applicable authorities.

8.11 Minor Violations of Setback Requirements. Upon erection of any Dwelling Unit upon any of the Lots which are subject to these restrictions, if it is disclosed by survey that a minor violation and infringement of setback lines has occurred, such violation and infringement shall be deemed waived by the Owners of the Lots immediately adjoining the Lot upon which the violation and infringement occurs, and such waivers shall be binding upon all other Owners who are subject to this Declaration. Nothing herein contained shall prevent the maintenance of suit for any other violation of the restrictions contained in this Declaration. A "minor violation" for the purpose of this Section is a violation of

not more than thirty (30) inches beyond required setback lines or Lot lines. This provision shall only apply to the original structures and shall not be applicable to any alterations or repairs to such structures.

8.12 No Review. The following types of changes, additions, or alterations do not require the approval of the Architectural Review Committee. Although exempt from Architectural Review Committee review, all work must proceed in accord with all applicable law, codes, and regulations, and the provisions of this Declaration.

8.12.1 Addition of plants to a property in accordance with a previously approved landscape plan.

8.12.2 Modifications to the interior of a Residence when those modifications do not unduly affect the outside appearance of the structure.

8.12.3 Repainting or restaining of the exterior of the Residence in original color.

8.12.4 Repairs to a structure in accordance with previously approved plans and specifications.

8.12.5 Reroofing with roofing materials of the same quality (or better) and color as original materials.

8.12.6 Seasonal decorations if removed promptly (within fifteen (15) days following the holiday).

IX. INSURANCE

9.1 Comprehensive General Liability and Property Insurance. Comprehensive general liability and property damage insurance shall be purchased by the Board of Directors and shall be maintained in force at all times, the premiums thereon to be paid by the Association as a Common Expense. If Declarant pays the premium, it shall be entitled to reimbursement from the Association. The insurance shall be carried with reputable companies authorized to do business in the State of Colorado, in such amounts as the Board may determine; the insurance carrier should have a current rating by Best's Insurance Reports of VI or better, or a financial rating of Class VI and a general policyholder's rating of at least A. If the insurer does not meet this rating requirement, the insurer must be reinsured by a company that does have a current rating by Best's Insurance Reports of VI or better.

9.1.1 A policy of comprehensive general liability insurance shall be in force for a minimum amount of One Million

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Dollars (\$1,000,000.00) per occurrence, covering all claims for bodily injury and/or property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobiles, liability for property of others, and, if applicable, host liquor liability and other risks which are customarily covered with projects similar in construction, location, and use. The policy or policies shall name as insureds all of the Owners, the Association, each member of the Board of Directors, the Management Contractor, and their respective agents and employees. Declarant shall be named as an additional insured on such policy or policies until such time as Declarant shall have conveyed all the Lots in the Project. The policy or policies shall insure against loss arising from perils in the Common Area and in any other areas which the Association has a maintenance responsibility and shall include contractual liability coverage to protect against such liabilities as may arise under the contractual exposures of the Association or the Board of Directors.

9.1.2 The policy or policies shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying a claim of an Owner or the Association because of negligent acts of the Association or other Owners.

9.2 Fire and Hazard Insurance. Fire and hazard insurance shall be purchased by the Board of Directors and shall thereafter be maintained in force at all times, the premiums thereon to be paid by the Association as a Common Expense, such policy to cover all Common Area Improvements. The policy or policies shall be of a master or blanket type with a standard all risk endorsement, and insure against loss from perils therein including broad form coverage on all of the Improvements in the Common Area, except such as may be separately insured, and except land, foundation, excavation and other items normally excluded from coverage. Such policy or policies shall contain extended coverage, vandalism, and malicious mischief endorsements. The Improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insureds the Association and Declarant. The policy or policies shall also cover personal property owned by the Association or in common by the Owners, their tenants, invitees or agents, and shall further contain a waiver of subrogation rights by the carrier as to negligent Owners. If Declarant pays the premium for the policy or policies, it shall be entitled to reimbursement from the Association. The insurance shall be carried with reputable companies authorized to do business

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in the State of Colorado, in such amounts as the Board may determine. The insurance carrier should have a current rating by Best's Insurance Reports of VI or better or a financial rating of Class VI and a general policyholder's rating of at least A. If the insurer does not meet this rating requirement, the insurer must be reinsured by a company that does have a current rating by Best's Insurance reports of VI or better.

9.3 No Individual Fire Insurance on Common Area. The blanket policy or policies to be carried by the Association and referenced under Section 9.2 above must provide that it is primary over any policy or policies separately carried by an individual Lot Owner and that the proceeds of the individual policy or policies carried by such Owner shall only be used to the extent that the proceeds of the insurance carried by the Association are insufficient to cover any losses to the Common Area.

9.4 Owner's Personal Liability and Property Insurance. An Owner may carry such property, fire and personal liability insurance as such Owner may desire. It is understood that the Association policies described herein will provide no insurance coverage for the Lots or the improvements situate thereon.

9.5 Fidelity Insurance Coverage. The Association shall provide for fidelity coverage against dishonest acts on the part of the Officers, Directors, Management Contractors, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection, which is in no event less than the greater of Fifty Thousand Dollars (\$50,000.00) and one and one-half (1.5) times the insured's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any person or persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

9.6 Other Insurance. The Board of Directors may purchase and maintain in force as a Common Expense, debris removal insurance, plate or other glass insurance, fidelity bonds, and other insurance or bonds that it deems necessary. The Board shall purchase and maintain worker's compensation and unemployment insurance to the extent that the same shall be required by law respecting employees of the Association. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance, and a fidelity bond, meeting the insurance and fidelity bond requirements for such project established by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and Government National Mortgage Association, so long as any are a Mortgagee or Owner of a

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Lot within the Properties, except to the extent such coverage is not available or has been waived in writing by either or all of the above.

9.7 Attorney in Fact. The Association is hereby appointed the attorney in fact for all Owners to negotiate loss adjustment on the policy or policies carried by the Association under this Article IX.

9.8 Proceeds. The Association shall receive the proceeds of any casualty insurance payments received on the policies obtained and maintained pursuant to this Article. To the extent that repairs and reconstruction are required herein and there is a determination that the Properties shall not be rebuilt, the proceeds shall be distributed in the manner provided in Article X regarding casualty, damage or destruction.

9.9 Notice of Cancellation or Modification. The policy and/or policies required by Sections 9.1, 9.2 and 9.5 must provide that they cannot be cancelled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association, and to each holder of a First Mortgage which has requested in writing that it be listed as a scheduled holder of a First Mortgage in the insurance policy.

9.10 Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors to ascertain whether the coverages contained in the policies are sufficient for the upcoming year, whether any necessary repairs or replacements of the property which occurred in the preceding year were covered by insurance, and that all possible insurance claims have been filed.

9.11 Deductibles. No insurance policy applicable to either fire or extended coverage shall contain a deductible clause which exceeds the greater of:

(i) Five Hundred Dollars (\$500.00); or

(ii) One percent (1%) of the face amount of the policy.

If an Owner, who by negligent or willful act, causes damage to the Common Area or other Properties which are insured as a Common Expense, then the Owner shall bear the whole cost of the deductible required in the blanket insurance policy for the Association on the Common Area and other such Properties. An Owner shall be responsible for any action of members of his family, his tenants or his guests which cause damage to the Common Area or other Properties.

9.12 Directors' and Officers' Liability Insurance. If available at a reasonable cost, the Association shall obtain and maintain adequate liability coverage to protect against any negligent act upon the part of the Directors or Officers of the Association.

9.13 Waivers. All such policies of insurance shall contain waivers of subrogation and waivers of any defense based on an invalidity arising out of the acts of a Member of the Association.

X. CASUALTY

10.1 Association As Agent and Attorney In Fact. All of the owners irrevocably constitute and appoint the Association as their true and lawful agent and attorney in fact in their name, place and stead for the purposes of dealing with the Common Area upon its damage, destruction, obsolescence and/or condemnation as hereinafter provided. Acceptance by any grantee of a deed from Declarant or from any Owner shall constitute appointment of the Association as agent and attorney in fact as herein provided.

10.2 General Authority of Association. As attorney in fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the Common Area Improvements as used in this Article means restoring the Project to substantially the same condition in which it existed prior to damage. Notwithstanding the provisions of Section 4.6 above, the proceeds of any insurance collected shall be used by the Association for the purpose of repair or reconstruction unless Owners, to which at least eighty percent (80%) of the votes in the Association are allocated, and sixty-seven percent (67%) of the First Mortgagees agree not to rebuild in accordance with the provisions set forth in this Article.

10.3 Notices and Cost Estimates. As soon as practical after an event causing damage to, or destruction of any part of the Common Area, the Association shall immediately obtain estimates that it deems reliable of the cost of repair or reconstruction of that part of the Project damaged or destroyed.

10.4 Insurance Proceeds Sufficient to Repair. In the event that proceeds from insurance coverage are sufficient to cover the cost of repair or construction after a casualty pursuant to the estimate of costs obtained by the Association, then such repair or reconstruction shall be promptly performed by the Association as attorney in fact for the Owners pursuant to this Article.

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10.5 Insurance Proceeds Insufficient to Repair. If the insurance proceeds are insufficient to repair or reconstruct the damage or destroyed Common Area or Common Area Improvements, such damage shall be repaired as promptly as possible by the Association and any costs of such repair or reconstruction in excess of insurance proceeds available shall be assessed against all Owners as a Common Expense pursuant to Article VI.

XI. CONDEMNATION

11.1 Consequences of Condemnation. At any time during the continuance of the ownership pursuant to this Declaration, if all or any part of the Common Area shall be taken, or condemned by any public authority, or sold, or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Article XI shall apply.

11.2 Proceeds and Notice. Subject to the Association's compliance with C.R.S. § 38-33.3-107, all compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award" shall be payable to the Association; provided, however, that the Association shall provide timely notice of such condemnation proceeding or condemning authority acquisition to all Owners and First Mortgagees who request such notice.

XII. GENERAL RESERVATIONS

12.1 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves the right to establish from time to time, by dedication or otherwise, utility (including cable television) and other easements, for purposes including but not limited to streets, paths, walkways, drainable recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions consistent with the ownership of the Properties for the best interest of all Owners and the Association in order to serve all the Owners within the Project. The rights herein reserved unto Declarant shall continue until Declarant no longer retains an interest in the Project, or twenty (20) years after the effective date of this Declaration, whichever occurs first.

12.2 Rights of Declarant and Participating Builders Incident to Construction. An easement is hereby retained by and granted to Declarant and any Participating Builder for access, ingress, and egress over, in, upon, under, and across the Project, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's or any such Participating Builder's construction on the Properties; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to unreasonably

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interfere with the occupancy, use, enjoyment, or access by any Owner, his family members, guests, or invitees, to or of that Owner's Lot.

XIII. ENLARGEMENT OF PROJECT (ANNEXATION)

13.1 Special Rights Reserved to Declarant: Enlargement of Project.

13.1.1 Declarant shall have the absolute right, but not the obligation, and same is hereby specifically reserved unto Declarant to be exercised within twenty (20) years after the effective date of this Declaration, to annex to the land and Improvements described in this Declaration and the Plat herein referred to, and thereby to submit to each and every provision of this Declaration the land described on Exhibit C, attached hereto and incorporated herein by this reference, or any portions thereof as further referenced hereunder, together with the Improvements to be constructed thereon as further referenced herein. It is the intention of Declarant that the lands described on Exhibit C may be annexed to the land covered by this Declaration by additional phases. Such phases may be added by Declarant either in the aggregate or on a phase by phase basis, by a portion of a phase, or any combination thereof, with the result being that this Project may be increased up to the number of Lots which may be described in the Plat, as the same may be amended or supplemented from time to time, or such lesser number of Lots as may be reflective of the Declarant's decision to add either no additional phases or such lesser number of phases desired.

13.1.2 Any such expansion or annexation as herein reserved unto Declarant shall be accomplished by the recording of a supplement or supplements to this Declaration, and such documents shall be recorded in the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado.

13.1.3 There is hereby reserved unto Declarant the irrevocable power of attorney, coupled with an interest, to execute, acknowledge, and deliver such further instruments and to do such further acts and/or things as may be from time to time required in order to accomplish the purposes of this Article XIII, including the right, if necessary, to amend the Articles of Incorporation or By-Laws, and to act on behalf of the Association to obtain such accomplishment. Each Owner and each and every Mortgagee of a Lot in the Project shall be deemed to have acquiesced to the supplements to this Declaration and to any required supplements to the Plat for the purpose of adding additional Lots and Common Area to the Project in the manner set forth in this Article XIII, and shall be deemed to have granted unto Declarant an irrevocable power of attorney, coupled with an interest, to

effectuate, execute, acknowledge and deliver any such instruments, if any, and to do such other acts and things as may be deemed necessary or desirable by Declarant, its successors or assigns, to properly accomplish the supplements contemplated by this Article XIII. Such supplements shall contain at least the following information:

13.1.4 A legal description of the particular phase being annexed, including a proper legal description of the Lots and the Common Area located therein;

13.1.5 A statement that the lands are being annexed pursuant to the particular provisions of Article XIII hereof; and

13.1.6 A further statement to the effect that the phase, when annexed, shall be deemed to be included within the Project covered by this Declaration and, thereby, subject to all of the terms, provisions, covenants, conditions, reservations, charges, and liens, including assessments, applicable hereunder as well as expressly subject to all of the provisions of the Articles of Incorporation and the By-Laws of the Association referenced hereunder.

13.2 Assessments and Voting Rights. On the date of recordation of any annexation by supplement to this Declaration, the assessment responsibility indicated in Section 6.1 and the voting rights outlined in Section 4.3, appurtenant to the annexed Lots, shall become effective.

13.3 Future Improvements. All future Improvements to the Project shall be consistent with initial Improvements in terms of quality of construction.

XIV. PRE-EXISTING RESERVATIONS, RESTRICTIONS, EASEMENTS AND COVENANTS

The Property was subject to the following reservations, restrictions, conditions, exceptions, easements and covenants at the time of the recordation of this Declaration:

14.1 Arapahoe County. Any restrictions in the use of property created by the Plat, zoning ordinances approved or adopted by Arapahoe County, Colorado.

14.2 Other Recorded Documents. Any other reservations, restrictions, conditions, exceptions, conditions, easements and covenants not enumerated under this Declaration or the Association Articles of Incorporation or By-Laws, but which exist of record at the time of the recordation of this Declaration.

XV. REVOCATION OR AMENDMENT OF DECLARATION

15.1 Revocation. Except as provided specifically elsewhere herein, this Declaration shall not be revoked unless the Owners of Lots to which sixty-seven percent (67%) of the votes in the Association are allocated and sixty-seven percent (67%) of the registered First Mortgagees consent and agree to such revocation by instrument(s) duly recorded.

15.2 Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Subject to any provision in Section 4.6 above, this Declaration shall not be amended, except as otherwise herein provided, without the consent of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated, and approval of sixty-seven percent (67%) of the First Mortgagees. Such amendment may be evidenced by either a recorded instrument indicating such consent or by a recorded certificate of the Secretary of the Association certifying (i) that at a meeting of the Owners, duly called at which a quorum was presented, the Owners of Lots, to which sixty-seven (67%) of the votes in the Association are allocated, consented to the Amendment, and that sixty-seven percent (67%) of the First Mortgagees have given approval (as provided in Section 16.8 below) to the Amendment, unless a higher percentage is required for such consent and approval by Section 4.6 above, in which case the certificate shall reflect the higher percentage, and (ii) that copies of such written consent and approval are in the corporate records of the Association.

15.3 Amendments to Conform to VA, FHA, FNMA, FHLMC or CCIQA Requirements. Notwithstanding any provision in this Declaration to the contrary, during the Declarant Control Period, Declarant shall have the right to unilaterally amend this Declaration in order to comply with the requirements of the Veteran's Administration, Federal Housing Administration, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation or the Act. Such amendment shall not require the vote or consent of Owners in the Project.

15.4 Technical Amendments. Declarant hereby reserves and is granted the right and power to record technical amendments to this Declaration at any time during the Declarant Control Period for the purposes of correcting spelling, grammar, dates or as is otherwise necessary to clarify the meaning of the provisions of this Declaration.

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XVI. MISCELLANEOUS PROVISIONS

16.1 Mailing Address. Each Owner and First Mortgagee shall register his or its mailing address with the Association, and all notices, demands and statements shall be sent by regular United States Mail, first-class postage prepaid, addressed in the name of the Owner or First Mortgagee at such registered mailing address. All notices to Declarant shall be sent by certified mail, first-class postage prepaid, return receipt requested, to the following address:

DECLARANT:

RICHMOND AMERICAN HOMES OF COLORADO, INC.
4600 South Ulster Street
Suite 400
Denver, Colorado 80237

until such address is changed by notice of address change given to the Association.

16.2 Compliance with Provisions. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, By-Laws, Rules and Regulations, resolutions, and contracts of the Association as the same may from time to time be in force and effect. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief or both, together with reasonable attorney fees, court costs, and injunction bond premiums maintainable by the Board of Directors, or the Management Contractor, on behalf of the Owners, or by any Owner.

16.3 Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, word or section or the application thereof in any circumstances is invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase, word, or section in any other circumstances shall not be affected thereby.

16.4 Terminology. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural and the singular; and the use of any gender shall include all genders.

16.5 State Law. The provisions of this Declaration shall be in addition and supplemental to all laws of the State of Colorado.

16.6 Declarant's Rights Transferable. Any right or interest of Declarant hereunder, established or reserved, may be transferred

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or assigned by Declarant either separately, or with one or more of such rights or interest, to any person or entity without the consent of the Owners, the Association, or any First Mortgagee.

16.7 Registration of First Mortgagees. Whenever this Declaration permits or requires that a First Mortgagee receive notice, such requirement of notice shall be waived if the First Mortgagee has failed to register its name and proper address with the Association for the purpose of such notices as provided in Section 16.1. The Association shall maintain as part of its books and records a list of the First Mortgagees who have registered in order to receive any notices which are permitted or required to be given to First Mortgagees under this Declaration.

16.8 Approval by First Mortgagees. Whenever this Declaration requires the approval of First Mortgagees, only those First Mortgagees who have registered as provided under Section 16.7 need be included in the request for approval and in any determination of whether the applicable percentage of First Mortgagees have approved any intended action. Any First Mortgagee registered as provided under Section 16.7 and mailed a request for approval, but who fails to respond within thirty (30) days to a request for approval, will be deemed to have approved the intended action.

16.9 Conflict. In the event of any conflict between the use restrictions imposed in this Declaration and any use restriction or regulation imposed by any governmental agency having jurisdiction over the Properties, the more stringent use restrictions shall control. In the event of any conflict between the Articles of Incorporation and the By-Laws, the Articles shall control; in case of any conflict between this Declaration and the By-Laws, the Declaration shall control; in the case of any conflict between the Articles and this Declaration, this Declaration shall control; and in the case of any conflict between this Declaration and the Act, the Act shall control.

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DATED this 6th day of March, 1998.

DECLARANT:

ATTEST:

RICHMOND AMERICAN HOMES OF COLORADO, INC.,
a Delaware corporation

Gerri Sue Sichter By: Timothy K. Garretts
Asst. Secretary Executive Vice President

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss.

The above and foregoing Declaration of Covenants, Conditions, and Restrictions for Mesa was acknowledged before me this 6th day of March, 1998, by Timothy K. Garretts as Executive Vice President and Gerri Sue Sichter as Asst. Secretary of Richmond American Homes of Colorado, Inc., a Delaware corporation.

My commission expires: 9-30-2000

Witness my hand and official seal.



Elizabeth Alexander
Notary Public

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EXHIBIT A

Lots 6 through 23, inclusive, Block 14,
Lots 1 through 21, inclusive, Block 15,
Lots 1 through 10, inclusive, Block 16,
and Tracts E, F, G, H, J, K, L, M, N, P, Q, R, and S,

Mesa Filing No. 1, according to the plat thereof recorded
November 21, 1997, in Book 144 at Pages 4-10, under Reception No.
A7147541, in the records of the Office of the Clerk and Recorder
of Arapahoe County, Colorado

County of Arapahoe
State of Colorado

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EXHIBIT B

Tracts E, F, G, H, J, K, L, M, N, P, Q, R and S,

Mesa Filing No. 1, according to the plat thereof recorded November 21, 1997, in Book 144 at Page 4-10, under Reception No. A7147541, in the records of the Office of the Clerk and Recorder of Arapahoe County, Colorado,

County of Arapahoe,
State of Colorado.

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EXHIBIT C

Lots 1 through 51, inclusive, Block 1
Lots 1 through 8, inclusive, Block 2
Lots 1 through 21, inclusive, Block 3
Lots 1 through 20, inclusive, Block 4
Lots 1 through 28, inclusive, Block 5
Lots 1 through 17, inclusive, Block 6
Lots 1 through 16, inclusive, Block 7
Lots 1 through 23, inclusive, Block 8
Lots 1 through 12, inclusive, Block 9
Lots 1 through 16, inclusive, Block 10
Lots 1 through 7, inclusive, Block 11
Lots 1 through 19, inclusive, Block 12
Lots 1 through 9, inclusive, Block 13
Lots 1 through 5, inclusive, Block 14
Lots 24 through 27, inclusive, Block 14
Lots 11 through 13, inclusive, Block 16
Lots 1 through 23, inclusive, Block 17
Lots 1 through 29, inclusive, Block 18

Mesa Filing No. 1, according to the plat thereof recorded
November 21, 1997, in Book 144 at Pages 4-10, under Reception No.
A7147541, in the records of the Office of the Clerk and Recorder
of Arapahoe County, Colorado

County of Arapahoe
State of Colorado

together with that certain real property described on Exhibit C-1
attached hereto and incorporated herein by this reference.



LEGAL DESCRIPTION

EMK CONSULTANTS, INC.

7006 SOUTH ALTON WAY, BUILDING F, ENGLEWOOD, COLORADO 80112-2004 (303) 694-1520

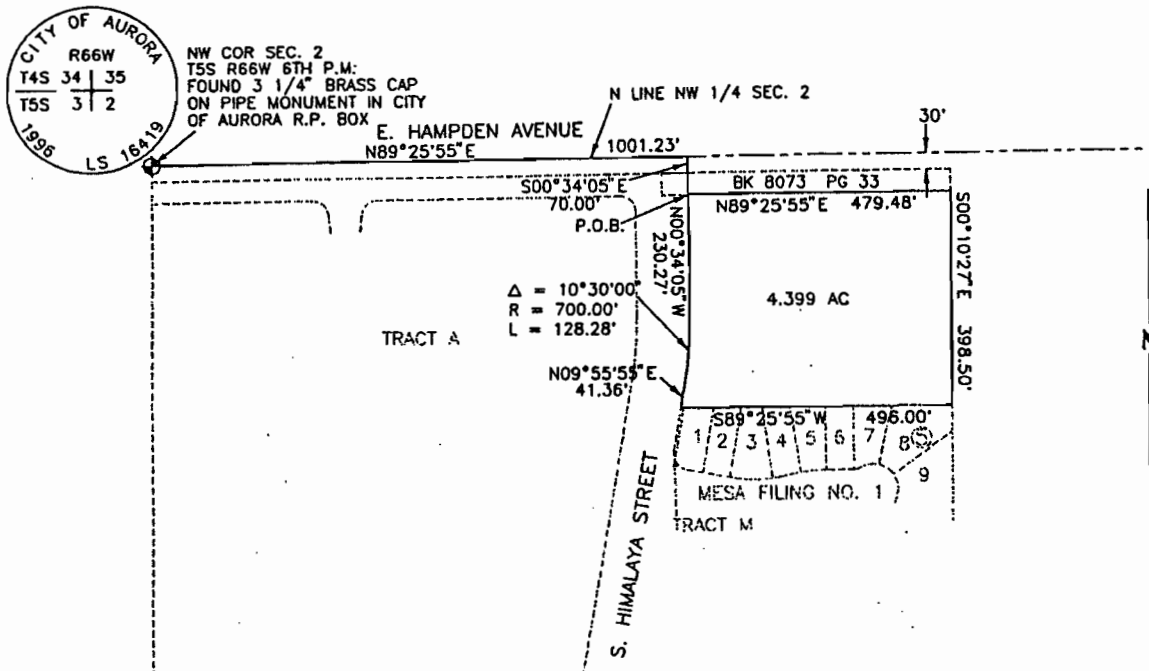
ENGINEERING & SURVEYING

NOTICE: This drawing does not represent a monumented survey and is only intended to depict the accompanying legal description.

Date 12/17/97 Job No. 11853-05
Scale 1"=300' Drawn By DH
NONE

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within 3 years after you first discover such defect. In no event, may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon.

REV 12/22/97



Legal Description

A parcel of land located in the Northwest quarter of Section 2, Township 5 South, Range 66 West of the Sixth Principal Meridian, County of Arapahoe, State of Colorado, more particularly described as follows:

Commencing at the Northwest corner of said Section 2;
thence N89°25'55"E along the North line of the Northwest quarter of said Section 2, 1001.23 feet;
thence S00°34'05"E, 70.00 feet to the Point of Beginning, said point being the South line of that parcel of land recorded in Book 8073 at Page 33 of the Arapahoe County Records;
thence N89°25'55"E along said South line, 479.48 feet;
thence S00°10'27"E, 398.50 feet to the Northeast corner of Lot 8, Block 5 of Mesa Filing No. 1, a subdivision located in said Section 2;
thence along the boundary of said Mesa Filing No. 1 the following four (4) courses:

1. thence S89°25'55"W, 496.00 feet;
2. thence N09°55'55"E, 41.36 feet to a point of curve;
3. thence along said curve to the left having a radius of 700.00 feet, a central angle of 10°30'00", 128.28 feet to a point of tangent;
4. thence N00°34'05"W along said tangent, 230.27 feet to the Point of Beginning containing 4.399 acres, more or less.

Prepared by:

Lauren R. McDonald



GUIDELINES FOR STORAGE SHEDS

Philosophy: While recognizing that storage for seasonal equipment is often at a premium, backyard storage sheds are generally not considered desirable additions to the community. To assist homeowners in selecting and placing a shed, the following guidelines have been developed.

THESE GUIDELINES DO NOT REPLACE THE REQUIREMENT OF OBTAINING APPROVAL FROM THE ARCHITECTURAL REVIEW COMMITTEE PRIOR TO ANY INSTALLATION. THE COMMITTEE SPECIFICALLY RESERVES THE RIGHT TO DENY ANY STORAGE FACILITY WHICH IT FINDS TO BE AESTHETICALLY INAPPROPRIATE FOR THE COMMUNITY.

PLACEMENT:

* Storage sheds shall be placed as close to the home as possible so that the shed appears to be part of the structure of the home. It is suggested that owners attempt to place the storage shed so that as little of the shed is visible as possible, both from neighboring properties and towards the view from the street.

A plan view showing the location of the shed in relation to the home and side property lines must be included with the submittal. Please include measurements indicating the distance from the shed to the home and to nearest property lines.

SIZE:

No storage shed shall exceed eight feet (8') in height as measured from ground level. In cases where slopes cause the backyard to be very visible, additional requirements or height restrictions may be necessary. Maximum size allowed for a shed is 80 square feet (approximately 8' x 10')

MATERIALS:

Again, to minimize the appearance of the storage shed, the structure shall be sided, painted, and roofed (or other materials as appropriate - e.g. stucco) to match the materials on the home, and shall be maintained equally with the home.

CONSENT OF DIRECTORS IN LIEU OF A MEETING

The undersigned being a majority of the directors of Mesa Homeowners Association, a Colorado non-profit corporation (the "Association") hereby consent to and take the following actions without a meeting as provided for in Section 7-23-110 of the Colorado Non-Profit Corporation Act:

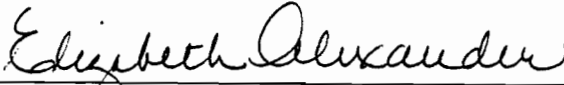
WHEREAS, the Board of Directors (the "Board") may adopt a fine schedule in accordance with Section 7.4 of the Declaration of Covenants, Conditions, and Restrictions (the "Declaration"), and

WHEREAS, the Board of Directors has made the determination that this action is necessary to provide enforcement of certain provisions of the Declaration, therefore

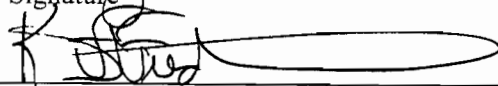
IT IS RESOLVED that the Board hereby adopts the following policy regarding violations of the Declaration, the Bylaws, the Articles of Incorporation, and any Rules and Regulations which may be in effect at this time, or which may be promulgated in the future, and any amendments to any of these documents, and that said policy shall be published, and shall go into effect immediately upon publication:

First letter	Notification to owner stating nature of violation, no monetary fine	Letters sent 14 days apart
Second letter	Same unresolved violation, includes \$25.00 fine	
Third letter	Same unresolved violation, includes \$50.00 fine	
Fourth letter	Same unresolved violation - at the discretion of the Board subsequent actions can include additional fines, property liens, judicial remedy.	
Special Provision	Violations involving improperly parked recreational vehicles or other violations of a hazardous or detrimental nature (in the sole discretion of the Board) are subject to immediate enforcement without additional written notice.	

This Consent may be executed in counterparts.



Signature



Signature

4-16-99

Date

4.16.99

Date
