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CAROL SNYDER
ADAMS COUNTY

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DECLARATION

FOR

JASMINE ESTATES

A Planned Community

TABLE OF CONTENTS

DECLARATION

FOR

JASMINE ESTATES

A Planned Community

THIS DECLARATION is made on the date hereinafter set forth by Jasmine Estates, LLC, a Colorado limited liability company, with an address of 6041 South Syracuse Way, Suite 200, Greenwood Village, Colorado 80111 ("Declarant").

RECITALS:

A. Declarant is the owner of certain real property located in the County of Adams, State of Colorado, which is more particularly described as set forth in Exhibit A attached hereto and by reference made a part hereof.

B. Declarant desires to create a planned community on the real property described in Exhibit A, and such additional real property which may be added pursuant to the rights reserved in this Declaration, in which portions of such the real estate will be designated for separate ownership and uses of a residential nature and portions of which will be designated for ownership by an association of Unit Owners and uses of common interest.

C. Declarant has caused the "Jasmine Estates Homeowners Association, Inc.," a Colorado nonprofit corporation, to be incorporated under the laws of the State of Colorado, as a Unit Owners' Association, for the purpose of exercising the functions as herein set forth.

ARTICLE 1
SUBMISSION/DEFINED TERMS

Section 1.1 Submission of Real Estate. The Declarant hereby submits the real property described in Exhibit A, and such additional real estate as may be subsequently added pursuant to the expansion rights reserved in this Declaration, together with all easements, rights, and appurtenances thereto and the improvements erected or to be erected thereon (collectively, the "Real Estate") to the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*, as it may be amended from time to time (the "Act") and to the terms and conditions of this Declaration. In the event the Act is repealed, the Act on the effective date of this Declaration shall remain applicable. Declarant hereby declares that all of the Real Estate, as the same may be expanded, shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions. Declarant further declares that this Declaration is made for the purpose of protecting the value and desirability of the Real Estate, that this Declaration shall run with the Real Estate and shall be binding on all parties having any right, title or interest in the Real Estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Unit Owner thereof.

Section 1.2 Defined Terms. Each capitalized term in this Declaration shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration. In supplementation of the definitions set forth in the Act, the following terms shall have the meanings as set forth below:

Allocated Interests. The Common Expense liability and votes in the Association allocated to each Unit pursuant to the terms of this Declaration. The Allocated Interests at the time this Declaration is recorded shall be determined pursuant to the formula set forth in Article 11.

Articles of Incorporation. The Articles of Incorporation for the Association filed with the Colorado Secretary of State, as the same may be amended.

Association. JASMINE ESTATES HOMEOWNERS ASSOCIATION, INC.

Building. That portion of the Real Estate within which Units are located.

Bylaws. The Bylaws of the Association as the same may be amended.

Common Elements. The real property and Improvements within this Common Interest Community (including all sidewalks, gates, fences) other than Units, owned by the Association. The Common Elements within the Community at the time this Declaration is recorded are described in Exhibit B of this Declaration.

Common Expenses. As used in this Declaration, this term includes all charges levied by and for the benefit of the Association pursuant to the Governing Documents, including, but not limited to: (i) annual costs and expenses of the Association resulting from owning, leasing, using, maintaining, or otherwise controlling any real or personal property and the Common Elements; (ii) expenses incurred by the Association pursuant to Section 6.2; (iii) large, single item expenditures of the Association (including but not limited to, capital expenditures and "Special Assessments," as defined in Section 6.7); and (iv) amounts necessary to fund reserves pursuant to Section 6.9 below.

Common Expense Assessment(s); Assessment(s). In addition to the definition included in the Act, these terms shall include the following items levied against a particular Owner or Unit: (i) the Owner's Allocated Interest in the Common Expenses, subject to reapportionment pursuant to Section 6.3; (ii) late charges, attorneys' fees, fines, and interest charged by the Association at the rate as determined by the Executive Board; (ii) charges against a particular Owner and the Unit for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner or Related Users; (iv) charges levied against an Owner pursuant to Section 6.4 due to Owner's negligence or misconduct ("Default Assessment"); and (iv) any sums permitted by the Governing Documents or the Act to be assessed against a particular Owner or Unit.

Community; Common Interest Community. JASMINE ESTATES, the planned community created by this Declaration.

Covenants. Collective term for all promises, restrictions, reservations, conditions, terms, easements, and rights-of-way specifically set forth or referenced in this Declaration and set forth in the Governing Documents, as the same may be adopted and amended from time to time. Each and every Covenant shall be given the same force and effect at law or equity without regard to which Governing Document in which it is set forth.

Declaration. This Declaration, and any and all duly executed amendments, supplements, or additions to this Declaration recorded in the office of the Clerk and Recorder for Adams County, Colorado, and including any maps or plats recorded in connection therewith.

Design Guidelines. Collective reference to all written design and development guidelines, policies and procedures, application and review procedures and fee schedules, and all architectural controls which shall apply to all construction and all other Improvement activities within the Units, and which are enacted by the Executive Board pursuant to its rule-making authority.

Expansion Property. Real property described on Exhibit C which may be added pursuant to the rights reserved in this Declaration upon which Units, Common Elements, and Development Rights may be created.

Governing Documents. Collective reference to those documents which govern the operation of the Association, including: (i) its Articles of Incorporation, (ii) its Bylaws, (iii) its Rules and Regulations (including Design Guidelines), (iv) the Plat, and (v) this Declaration, as one or more of the same may be amended from time to time.

Improvement(s). Physical structures and all landscaping installed within or upon all or a portion of the Real Estate.

Institutional First Mortgagee. A bank, savings and loan association, insurance company, real estate mortgage investment trust, pension fund, an agency of the United States Government (including "VA" or "FHA"), mortgage banker, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or any other lender generally recognized as an institutional lender, or the Declarant, holding a First Mortgage or deed of trust encumbering a Unit or Units, or any insurer or guarantor of a First Mortgage.

Mortgage. Any mortgage instrument, deed of trust, or other security instrument duly recorded in the records of the office of the Clerk and Recorder of the County of Adams creating a lien on any Unit, together with each and every collateral obligation secured by such instrument. A "First Mortgage" is a Mortgage having priority of record over all other recorded liens except those governmental liens and Common Expense Assessment liens made superior by the Act.

Party Walls. Each wall which is built as a part of the original construction of a Unit and placed on or about the horizontal or vertical boundary line between two Units or between one or more Units and a portion of the Common Elements. To the extent not inconsistent with the provisions of this Declaration and the Act, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Plat. Collective reference to (i) the subdivision plat for the subdivision known as "Jasmine Estates Filing No. 1", recorded on October 12, 1999 in File 18, Map 120, Reception No. C0601284 and Affidavit of Correction recorded February 28, 2000 in File 18, Map 186, Reception No. C0644572 in the real property records for Adams County, Colorado, as the same may be amended from time to time, and (ii) the Jasmine Estates Final PUD Plan recorded on April 11, 2000 at Reception No. C0659375 in the real property records for Adams Count, Colorado, as the same may be amended from time to time. The "notes" on the various sheets comprising the Plat are hereby incorporated herein by this reference and shall be fully enforceable as though set forth herein.

Real Estate. The property described in Exhibit A, together with all easements, rights, and appurtenances thereto and the Improvements erected or to be erected thereon, and such additional property as may be subsequently added, pursuant to the expansion rights reserved in this Declaration, together with all easements, rights, and appurtenances thereto. All easements and licenses to which the Common Interest Community is subject to as of the date of this Declaration are recited in Exhibit A

Related User. Any person who: (i) resides with an Owner within the Unit; (b) is a guest or invitee of an Owner; (c) is an occupant or tenant of a Unit; and (c) any family member, guest, invitee or cohabitant of the foregoing.

Rules and Regulations. All rules and regulations, including by way of example only, use restrictions, Design Guidelines, and enforcement procedures enacted by the Executive Board pursuant to this Declaration, the Bylaws, and the Act.

Unit. A physical portion of the Common Interest Community, designated for separate ownership, shown as a Unit or lot on the Plat.

Unit Exterior. All exterior surfaces and structural components within a Unit, including Building walls, fences, gates, landscaping, Unit boundary walls (except those that are "Party Walls"), roof shingles and paper lining, gutters, downspouts, drainspouts, exterior siding, exterior portion of entry doors, windows, trim around the perimeter of doors and windows, exterior portion of garage doors, external vents and flues, patio cement slabs, screen and glass surfaces, and sidewalks.

Unit Owner; Owner. The Declarant, or any individuals or entity that holds fee title to a Unit.

ARTICLE 2
DESCRIPTION OF REAL ESTATE, UNITS AND COMMON ELEMENTS

Section 2.1 Description and Type. The Common Interest Community is a Planned Community located in the County of Adams, State of Colorado. The initial Real Estate of the Common Interest Community is described in Exhibit A. All easements and licenses to which the Common Interest Community is presently subject are recited in Exhibit A. In addition, the Common Interest Community may be subject to other easements or licenses granted pursuant to the Governing Documents, or granted by authority reserved in any recorded document or established in the Act.

Section 2.2 Number of Units. The number of Units included in the Common Interest Community at the time the Declaration is recorded is eight (8). The Declarant reserves the right to create and add, at any time and from time to time pursuant to the Act and this Declaration, up to a maximum of one hundred eighty (180) or the maximum number of Units allowed by any governmental entity having jurisdiction over the Real Estate, including all or any portion of the Expansion Property, whichever is higher ("Maximum Units"). Declarant shall not be obligated to expand the Community beyond the number of Units initially submitted to this Declaration.

Section 2.3 Identification of Units/Unit Descriptions. Every contract for sale, and every deed, lease, Mortgage, or other another legal instrument shall legally describe a Unit by its identifying lot and block number as shown on the Plat

Section 2.4 Common Elements. The Common Elements include the real property described on Exhibit B, additional items described in this Declaration or the Governing Documents, and such Improvements to the Common Elements that may be made by the Declarant pursuant to the rights reserved in Article 8. Improvements on the Common Elements may be changed, from time to time, by the Declarant or by the Executive Board of the Association. Portions of Units not yet conveyed by Declarant to a third party Owner may become Common Elements, pursuant to rights reserved elsewhere in this Declaration.

ARTICLE 3
THE ASSOCIATION

Section 3.1 Membership. Every person who is a Unit Owner of a fee interest in any Unit which is subject to this Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be members.

Section 3.2 General Purposes, Powers and Authority of the Association. The Association, acting solely through its Executive Board, shall perform functions and manage the Common Interest Community including its business affairs as provided in the Governing Documents so as to protect the value and desirability of the Community and to further the interests of the Unit Owners and Related Users. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes. The Association shall be governed by the Colorado Common Interest Ownership Act and the Governing Documents. The Executive Board may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility.

Section 3.3 Specific Powers. The Association shall have the powers, authority and duties as follows and as necessary and proper to manage the business and affairs of the Common Interest Community:

3.3.1 The Association shall have all of the powers, authority and duties permitted or set forth in the Act and in the Colorado Revised Nonprofit Corporation Act.

3.3.2 The Association shall have the power to assign its right to future income, including the right to assign its right to receive Common Expense Assessments, but only upon the affirmative vote of the Unit Owners of Units to which at least fifty-one percent (51%) of the votes in the Association at a meeting called for that purpose.

Section 3.4 Association Agreements. Any agreement for professional management of the Common Interest Community or any contract providing for services of the Declarant, may not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty days' written notice. The Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the Period of Declarant Control unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after the turnover date upon not more than thirty days' notice to the other party thereto.

Section 3.5 Promulgation of Rules and Regulations. Subject to Section 3.6 below, the Executive Board may adopt, amend, repeal and enforce Rules and Regulations and to impose fines for violations of the Governing Documents, as it deems desirable with respect to the interpretation and implementation of this Declaration and the operation of the Association, including Units, in accordance with the following:

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

3.5.2 The Rules and Regulations shall be effective fifteen days after delivery of Notice of the adoption, amendment or repeal of any Rule or Regulation, in writing to each Owner. Copies of the currently effective Rules and Regulations shall be made available to each Owner upon request.

3.5.3 Each Owner shall comply with the Rules and Regulations and shall see that Related Users comply with the Rules and Regulations.

3.5.4 The Rules and Regulations shall have the same force and effect as if they were part of this Declaration. In the event of conflict between the Rules and Regulations and this Declaration, this Declaration shall prevail, but only to the extent that such Rule or Regulation invalidates a specific provision in this Declaration.

Section 3.6 Right to Notice and Comment. Pursuant to C.R.S. § 38-33.3-205(1)(o), before the Board amends the Bylaws or adopts or amends Rules and Regulations, or whenever the Governing Documents require that an action be taken after "Notice and Comment," and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Further, any Unit Owner may give "Notice and Comment" to the Unit Owners of any matter affecting the Common Interest Community, and Unit Owners shall then have the right to comment, orally or in writing, on the matter. Notice shall be given to each Unit Owner in writing, delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or notice shall be published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The Notice shall be given not less than three days before proposed action is to be taken. The Notice shall invite comment to the Executive Board or a Unit Owner, orally or in writing before the scheduled time of any meeting.

Section 3.7 Indemnification. To the full extent permitted by law, each officer, member of the Executive Board and committee member of the Association shall be and are hereby indemnified by the Unit Owners and the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer or member of the Executive Board, or committee member or any settlements thereof, whether or not they hold such position at the time such expenses are incurred; except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Executive Board approves such settlement and reimbursement as being in the best interests of the Association.

Section 3.8 Declarant Control. The Declarant shall have the reserved power, pursuant to Section 305(5) of the Act, to appoint and remove officers and members of the Executive Board (the time during which the Declarant shall have these reserved powers is referred to in this Declaration as the "Period of Declarant Control").

3.8.1 Turnover Date. The Period of Declarant Control terminates no later than the earlier of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Maximum Units in the ordinary course of business to Unit Owners who are not the Declarant, or (ii) two (2) years after the right to add new Units was last exercised; or (iii) two (2) years after the last conveyance of a Unit in the ordinary course of business to Owners who are not the Declarant ("Turnover Date").

3.8.2 Executive Board Election. Until the Turnover Date:

(a) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Maximum Units to Owners other than the Declarant, at least one member and not less than twenty-five percent of the members of the Executive Board must be elected by Owners other than the Declarant.

(b) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Maximum Units to Owners other than the Declarant, not less than thirty-three and one-third percent of the members of the Executive Board must be elected by Owners other than the Declarant.

Section 3.9 Declarant May Relinquish Rights. At any time prior to the Turnover Date, the Declarant may relinquish the right to appoint and remove Executive Board members by may require certain specific actions of the Executive Board to be approved by the Declarant.

ARTICLE 4
EASEMENTS

Section 4.1 Easement for Utilities. Each and every Unit is subject to an easement upon each Unit for installing, replacing, repairing, and maintaining common water, sewer and other utility lines. By virtue of this easement, it shall be expressly permissible for the utility companies or municipalities supplying such utility service or the Association to erect and maintain the necessary equipment within the Real Estate and to affix, repair and maintain water and sewer pipes, gas, electric and telephone wires, circuits, conduits and meters. This easement and related obligations and duties shall be appurtenant to and pass with title to each Unit.

Section 4.2 Easement for Encroachments. If any portion of a Unit encroaches upon any Common Element or adjoining Unit, a valid easement for such encroachment and for the maintenance of same, shall and does exist provided such easements do not exceed ten (10) feet within the boundaries of such Common Element or adjoining Unit; and such encroachments do not interfere with the enjoyment of the Common Element or the adjoining Unit. Similarly, if any portion of the Common Elements encroaches upon a Unit, a valid easement for the encroachment and for the maintenance of same, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or any Units affected thereby. Further, such easements shall be deemed to run with the land upon which the Improvements may be found.

Section 4.3 Easements for the Executive Board and Unit Owners. Each Unit shall be subject to an easement in favor of the Executive Board (including its agents, employees and contractors) and to each Unit Owner to allow for their performance of obligations in the Governing Documents or the Act.

Section 4.4 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Common Interest Community, to enter upon any part of the Common Interest Community in the performance of their duties.

Section 4.5 Unit Owners' Easements of Enjoyment. Every Unit Owner shall have a right and easement for access to their Unit and of enjoyment in and to any Common Elements and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

4.5.1 The right of the Association to promulgate (subject to Section 3.6) and publish Rules and Regulations with which each Unit Owner and their Related Users shall strictly comply.

4.5.2 The right of the Association to suspend the voting rights and rights to use the Common Elements by a Unit Owner for any period during which any Assessment against their Unit remains unpaid; and for a period not to exceed sixty days for any infraction of the Rules and Regulations.

4.5.3 The right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements, to the extent permitted by the Act.

4.5.4 The right of the Association to close or limit the use of the Common Elements or Unit Exteriors while maintaining, repairing and making replacements in the Common Elements to the Buildings, or to the Unit Exteriors.

4.5.5 The Development and Special Declarant Rights of the Declarant reserved in this Declaration.

Section 4.6 Delegation of Use. Any Unit Owner may delegate his right of enjoyment to the Common Elements to Related Users.

ARTICLE 5
MAINTENANCE

Section 5.1 Unit Owners' Responsibilities. Except as otherwise provided in Section 5.2 below, Unit Owners are responsible for securing the maintenance, repair and replacement of the real and personal properties and Improvements located within their Unit boundaries, specifically excluding all but the following portions of Unit Exteriors: any skylights, glass surfaces and screens, landscaping within the Unit, and sidewalk which are Common Elements, and to pay the costs thereof. Each Unit, at all times, shall be kept well maintained, in good repair, and replacement, and in a clean, sightly, and wholesome condition. Trash, litter, junk boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall not be permitted to remain exposed upon or within any Unit so that the same are visible from any neighboring Unit, or any street, except as necessary during a period of construction. Declarant, its agents and assigns and the Association, and its agents, shall have the authority to enter, replace, maintain, repair and clean up Units which do not conform to the provisions of this Section, and to charge and collect from the Unit Owners thereof all reasonable costs related thereto as an Assessment.

Section 5.2 Association's Responsibilities. The Association shall have the sole control over, and shall assume the cost of the enhancement, upkeep, maintenance, repair and reconstruction (which shall include the making of capital improvements to) of the following:

5.2.1 all portions of Unit Exteriors, including all portions of Buildings, except those portions specifically the responsibility of Unit Owners pursuant to Section 5.1 above.

5.2.2 the Common Elements, including snow removal from all driveways and sidewalks, and landscape within such Common Elements; and trash removal from the Community;

5.2.3 landscaped areas in dedicated public right of ways or public easements or for the payment of expenses which may be incurred by virtue of agreement with or requirement of any local governmental authority, County of Adams, or other government authorities; and

5.2.4 such other maintenance and repair as set forth in the Governing Documents.

However, in the event that the need for maintenance or repair of any portion of a Unit Exterior which the Association is required to complete is caused through the willful or negligent act of a Unit Owner, or through the willful or negligent act of a Related User, and without regard to which Unit Exterior is damaged, the cost of such maintenance or repair shall be added to and become part of the Assessment to which that Unit or Unit Owner is subject.

Section 5.3 Scope of Association Maintenance. The Executive Board of the Association shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance responsibilities.

Section 5.4 Party Walls. The cost of maintenance, repair, alteration, improvement and replacement of each Party Wall shall be shared equally by the Owners of the Units adjoining such Party Wall. The right of a Unit Owner to contribution from another Unit Owner pursuant to this Declaration or the Act, shall be appurtenant to the land and such rights and obligations shall pass to the Unit Owners' successors in title.

5.4.1 If a Party Wall is destroyed or damaged by fire or other casualty, any Unit Owner whose Unit adjoins such Party Wall may repair or restore it, and the other Unit Owner shall immediately upon receipt of written demand therefore, pay his or her portion of such costs to the Unit Owner making such restoration or repair.

5.4.2 Notwithstanding any provision to the contrary in this Section 5.4, a Unit Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements or damaged in any manner, shall bear the whole cost of furnishing the necessary protection against such elements or of making the necessary repairs or restoration.

Section 5.5 Right of Access. Provided that (i) requests for entry are made in advance and that any entry is at a time reasonably convenient to the affected Unit Owner, and (ii) in case of an emergency, no request or notice is required and the right of entry shall be immediate, and with as much force as is reasonably necessary to gain entrance, whether or not the Unit Owner is present at the time:

5.5.1 Any person authorized by the Executive Board shall have the right of access to all portions of the Community for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Common Interest Community, for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment.

5.5.2 Any Unit Owner or his Related User shall have the right of access to all portions of an immediately adjacent Unit or any portion of the Common Elements for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of his Unit or a Party Wall.

ARTICLE 6
COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 6.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant, for each Unit, shall be deemed to covenant and agree, and each Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association Assessments pursuant to the Governing Documents. Such Assessments shall be the personal obligation of the Owner of such Unit at the time when the Assessment or other charges became due. The Assessments shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such Assessment is made. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due. The personal obligation to pay any past due sums shall not pass to a successor in title unless expressly assumed by them. No Owner may become exempt from liability for payment of the Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Assessments are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

Section 6.2 Purpose of Assessments. In addition to such other purposes as set forth in the Act, Assessments shall be used for the purposes of promoting the health, safety, and welfare of Owners and Related Users, and in particular:

6.2.1 To enforce all provisions of the Governing Documents;

6.2.2 To exercise all rights and powers and to discharge all duties and obligations pursuant to the Act and the Governing Documents;

6.2.3 To discharge all expenses incurred by the Association in the alteration, enhancement, construction, reconstruction, repair, maintenance or replacement of the Common Elements and portions of Unit Exteriors the Association is required to maintain pursuant to Subsection 5.2.1 above and all Improvements located thereon, including fixtures and personal property related thereto;

6.2.4 To discharge all expenses incurred by the Association in the alteration, maintenance, repair and replacement of any property the Association may elect to so alter, maintain, repair or replace pursuant to the Governing Documents; and

6.2.5 To fund any operating deficit or reserves the Association deems necessary to meet its financial obligations.

Section 6.3 Apportionment of Common Expenses. Except as provided below and elsewhere in this Declaration, all Common Expense Assessments shall be assessed against all Units in accordance with the formula for liability for the Common Expenses as set forth in this Declaration in Article 11 below:

6.3.1 Any Common Expense for services provided by the Association to an individual Unit pursuant to the Governing Documents or at the request of the Owner may be assessed against that Unit.

6.3.2 Any Common Expense for insurance may be assessed in proportion to risk.

6.3.3 Any Common Expense for utility services may be assessed in proportion to usage.

6.3.4 If a Common Expense is caused by the misconduct of an Owner, the Association may assess that expense exclusively against that Owner and that Unit, in addition to sums charged to the Owner pursuant to Section 6.4 below

6.3.5 Fees, charges, taxes, impositions, late charges, fines, attorneys' fees, collection costs and interest charged against an Owner are enforceable as Common Expense Assessments.

Section 6.4 Default Assessments. In the event that the need for maintenance, repair, or replacement of the Common Elements, or any portion thereof, or any other portion of the Community, is caused by or in any way results from the negligent or willful act or failure to act, or the misconduct of an Owner or an Owner's Related User, then the expenses, costs, and fees incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner, and such obligation shall be considered a Default Assessment, collectible as a Common Expense Assessment.

Section 6.5 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment shall be made on an annual basis against all Units based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year. The budget shall be submitted to the Owners, pursuant to Section 303(4) of the Act. Common Expense Assessments shall be due and payable annually or in periodic installments, or in any other manner, as determined by the Executive Board. Common Expense Assessments may begin on the first day of the month in which conveyance of the first Unit to an Owner other than the Declarant occurs. The omission or failure of the Executive Board to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

Section 6.6 Installments; Assessments. The Executive Board may determine that any Common Expense Assessment shall be payable in installments and may also elect to accelerate the installments remaining for such Assessment.

Section 6.7 Special Assessments. The Association may at any time, from time to time, determine, levy and assess a Special Assessment applicable to that particular assessment year for the purpose of defraying, in whole or in part, payments for any operating deficit and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of a capital improvement and any fixtures or personal property related thereto, and any acquisition of real property; provided that:

6.7.1 Any such Assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting at a meeting duly called for this purpose. Any such Special Assessment shall be due and payable as determined by the Executive Board. The term "capital improvements," as used herein, shall mean the construction, erection, installation, maintenance, repair or replacement of Common Elements (including those which may hereafter be constructed, erected or installed on the Real Estate) and of those portions of Unit Exteriors the Association is required to maintain. Notice in writing setting forth the amount of such Special Assessment per Unit and the due date for payment thereof shall be given to the Owners not less than thirty (30) days prior to such due date.

6.7.2 Written notice of any meeting called for the purpose of taking any action authorized under Subsection 6.7.1 above, shall be sent to all Owners not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners representing sixty percent (60%) of the votes in the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6.8 Lien Priority. The Assessment lien of the Association is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a First Mortgage on the Unit (except as allowed by the Act with regard to the Association's limited lien priority); and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not affect the priority of mechanics or materialmens' liens. The lien of the Association under this Article is not subject to the provisions of any Homestead exemption as allowed by state or federal law. Sale or transfer of any Unit shall not affect the lien for said Assessments except that the sale or transfer of any Unit pursuant to foreclosure of any First Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment as provided by applicable law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit Owner from continuing liability for any Assessment charges thereafter becoming due nor from the lien thereof.

Section 6.9 Reserves/Surplus. The Association shall establish an adequate reserve fund for the maintenance, repair and replacement of those Common Elements and the portions of Unit Exteriors the Association is required to maintain, that must be periodically maintained, repaired or replaced. Such reserve fund shall be funded through the monthly payments of the annual Common Expense Assessments. Any surplus funds derived from Assessments shall be transferred to the reserve fund or used for Association operations, in the Executive Board's sole discretion and by acceptance of a deed to his or her Unit, each Unit Owner hereby directs the Executive Board to make this determination each year.

Section 6.10 Effect of Non-Payment of Assessments. Any Assessment provided for in this Declaration, or any installment thereof, which is not fully paid within ten (10) days after the due date thereof, shall bear interest at the rate of twenty-one percent (21%) per annum or at such lesser rate as may be set by the Executive Board from time to time from the due date, and the Association may assess a monthly late charge thereon. Failure to make payment within the sixty (60) days of the due date thereof shall cause the total amount of such Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, or any monthly or other installment thereof, may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien therefor. The Association's costs of suit, expenses and reasonable attorneys' fees incurred simply by virtue of the failure of the Owner to timely pay Assessments when due, including attorneys' fees and costs for preparing and recording any lien notice, and the Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and/or foreclosure proceedings, shall be taxed by the court as a part of the costs of any such action or foreclosure proceeding and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Unit. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessments, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, and cast the votes appurtenant to such Unit, and to convey or otherwise deal with the same. The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the Unit which accrued prior to the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

Section 6.11 No Waiver or Abandonment. No Owner may be exempt from liability for payment of the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit against which the Assessments are made.

Section 6.12 Declaration is Notice. Recording of the Declaration constitutes record notice and perfection of the lien for Assessments. No further recordation is required. However, the Executive Board may prepare and record in the real property records of Adams County, Colorado, a written notice setting forth the amount of any unpaid indebtedness, the name of the Owner, and a description of the Unit.

Section 6.13 Working Fund. The Association or Declarant may require the first Unit Owner of each Unit (other than Declarant) to make a non-refundable payment to the Association in an amount equal to three hundred dollars ($300.00) against that Unit in effect at the closing thereof, which sum shall be held, without interest, by the Association as a working fund. Said working fund shall be collected and transferred to the Association at the time of closing of the initial sale by Declarant of each Unit, as aforesaid, and shall be for the use and benefit of the Association. Such payment shall not relieve a Unit Owner from making regular payments of Assessments as the same become due.

ARTICLE 7
RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 7.1 Absolute Authority of the Executive Board. The Executive Board shall have complete authority and control to issue and amend restrictions on use, occupancy and alienation of the Units in addition to those contained in this Declaration. The Association shall have complete authority and control over the maintenance, repair, alteration and improvement of all Common Elements, Buildings, and Unit Exteriors, and whether or not the Association is liable for the costs thereof.

The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Executive Board or by an appropriate committee (subject to review by the Executive Board) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or must be contained in written guidelines or rules. Further, the Executive Board has absolute authority to promulgate Rules and Regulations and resolutions for restrictions on use, occupancy or alienation which are not contrary to restrictions contained within this Declaration (subject to Section 3.6). It is expected that the Rules and Regulations will govern the operations of the Community, the Unit Owners and the Association in greater detail than this Declaration, and a specific provision of a Rule or Regulation shall only be invalid to the extent that its strict application would contradict a specific provision in this Declaration. The Executive Board may establish and enforce penalties for the infraction thereof. Unit Owners shall be responsible for fines assessed against their Related Users. All monetary penalties enforced pursuant to this Declaration or the Rules and Regulations shall be collectible as Common Expense Assessments.

Section 7.2 Use Restrictions. Initial use restrictions applicable to the Real Estate are set forth in Section 7.5 below. Amendment of these use restrictions requires a vote of sixty-seven percent (67%) of all votes in the Association as calculated pursuant to Article 11. Provided, however, in accordance with the duty to exercise reasonable business judgment, the Executive Board, with the consent of the Declarant as long as the Declarant holds Development Rights, may adopt Rules and Regulations which modify, limit, create exceptions to, or expand the initial use restrictions set forth in Section 7.5 below.

Section 7.3 Owners' Acknowledgment. All Owners and Related Users of Units are given notice that use of their Units is limited by provisions of each of the Governing Documents as they may be amended, expanded and otherwise modified from time to time. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision and that all restrictions upon the use and occupancy of a Unit may change from time to time.

Section 7.4 Rights of Owners. The Executive Board shall not adopt any restriction on use alteration or occupancy in violation of the following provisions:

7.4.1 Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

7.4.2 Speech. The rights of Owners to display political signs and symbols in or on their Units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and Related Users.

7.4.3 Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

7.4.4 Activities Within Dwelling. No rule shall interfere with the activities carried on within the confines of dwellings on the Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance.

7.4.5 Pets. The Association may adopt reasonable Rules and Regulations designed to minimize damage and disturbance to other Owners and occupants, including Rules and Regulations requiring damage deposits, waste removal, leash controls, noise controls, occupancy limits based on size and facilities of the Unit and fair share use of the Common Elements. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance in the Executive Board's sole discretion.

7.4.6 Reasonable Rights to Develop. No Rule by the Association or Executive Board shall unreasonably impede the Declarant's right to develop in accordance with the Plats and this Declaration.

7.4.7 No Restrictions on Sale of a Unit. The right of a Unit Owner to sell, transfer or otherwise convey their Unit shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions.

7.4.8 No Restrictions on Mortgaging of a Unit. No Rule shall impose any restriction on the right of the Unit Owners to mortgage or otherwise encumber their Unit, nor shall there be a requirement for the use of a specific lending institution or particular type of lender.

Section 7.5 Initial Use Restrictions. The following activities are prohibited within the Community unless expressly authorized (and in such cases, subject to such conditions as may be imposed) by the Executive Board:

7.5.1 Subdivision. Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit;

7.5.2 Conditions to Conduct Business. Any business, profession, trade, or similar activity, except that an Owner may conduct business activities within the Unit so long as:

(a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit;

(b) the activity conforms to all zoning requirements for the Common Interest Community;

(c) the activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Owners or Related Users; and

(d) the activity is consistent with the residential character of the Real Estate and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Owners or Related Users, as may be determined in the reasonable discretion of the Executive Board.

7.5.3 Leases. The term "lease", as used herein, shall include any agreement for the leasing or rental of a Unit and shall specifically include, without limitation, a month-to-month rental. Owners shall have the right to lease their Units only under the following conditions:

(a) All leases shall be in writing.

(b) All leases shall provide that the terms of the lease and the tenant's occupancy of the Unit shall be subject in all respects to the provisions of the Governing Documents, as the same may be amended from time to time, and that any failure by such tenant to comply with the provisions of these instruments, in any respect, shall be a default under the lease, said default to be enforceable by the Executive Board, the Owner/landlord, or both.

(c) No lease shall be a term of less than one hundred eighty (180) days.

(d) Any Owner's right to lease is expressly conditional upon applicable Rules and Regulations.

(e) Any Owner who leases his Unit shall forward a copy of the lease to the Association within ten (10) days after the execution by Owner and the tenant/lessee.

7.5.4 Restrictions on Vehicles.

(a) Parking or storing of vehicles within the Real Estate shall be subject to Rules and Regulations enacted by the Executive Board and provisions of this Declaration.

(b) No Unit and no Common Element shall be used as a parking, storage, display or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, motor home, running gear, boat or accessories thereto, or any type of cargo or commercial van, or any type of vehicle which is used for commercial purposes that bears a commercial logo, and/or printing or lettering.

(c) Recreational vehicles may be parked temporarily within Units or upon streets for purposes of loading and unloading; provided that no such vehicle may be so parked for a period exceeding 24 hours in length.

(d) No abandoned or inoperable vehicles of any kind shall be stored or parked within any Unit (unless stored completely within an enclosed garage) or street. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, van, recreational vehicle or other device for carrying passengers, goods or equipment which has not been driven under its own propulsion for a period of two weeks or longer, or which does not have installed within it an operable propulsion system.

(e) Unlicensed motor vehicles shall not be operated on the streets or other Common Elements. The definition of unlicensed motor vehicles shall include, but is not limited to, go-carts, mini-bikes, unlicensed motor bikes and all-terrain vehicles.

(f) Parking of permitted vehicles upon streets shall be subject to Rules and Regulations and local ordinances.

7.5.5 Nuisances. Any use, activity, or practice which is the source of or unreasonably interferes with the peaceful enjoyment or possession of a Unit or any portion of the Common Elements or any portion of the Common Interest Community. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed and may be enforced by the Association as if the same were contained in the Governing Documents. In no event shall the activities of the Declarant or of an Approved Builder which are reasonably necessary to the exercise of the rights granted by this Declaration and the Act be considered a "nuisance" unless such activities interferes with any Owner's use and enjoyment of such Owner's Unit.

7.5.6 No Annoying Lights, Sounds or Odors. No light shall be emitted from any portion of the Common Interest Community which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any portion of the Common Interest Community which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the Common Interest Community except with the prior written approval of the Executive Board.

7.5.7 No Hazardous Activities. No activity shall be conducted on any portion of the Common Interest Community which is 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 portion of the Common Interest Community and no open fires shall be lighted or permitted on any portion of the Common Interest Community.

7.5.8 Compliance with Insurance Requirements. Except as may be approved in writing by the Executive Board, nothing shall be done or kept on the Common Interest Community which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

7.5.9 Restriction on Signs and Advertising Devices. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the Common Interest Community except such sign or signs as may be approved in writing by the Executive Board.

Section 7.6 Restriction of Exterior Improvements. No Improvement to a Unit Exterior shall be constructed, erected, placed or installed within the Common Interest Community, unless complete plans and specifications thereto shall have been first submitted to and approved in writing by, and in the sole discretion of, the Executive Board.

Section 7.7 Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible for Declarant, its assigns, employees and agents, to perform such reasonable activities, and to maintain upon portions of the Common Interest Community such facilities as deemed reasonably necessary or incidental to the construction and sale of Units in the development of the Common Interest Community, specifically including, without limiting the generality of the foregoing, the maintenance of temporary business offices, storage areas, trash bins, construction yards and equipment, signs, model units, temporary sales offices, parking areas and lighting facilities.

ARTICLE 8
DEVELOPMENT RIGHTS, SPECIAL DECLARANT RIGHTS, AND ADDITIONAL RESERVED RIGHTS

Section 8.1 Expansion Rights. Declarant expressly reserves the right to add all or any portion of the Real Estate described on Exhibit C, (the "Expansion Property") and subject it to the provisions of this Declaration.

Section 8.2 Development Rights. Declarant expressly reserves for itself and its successors in title the following Development Rights:

8.2.1 the right to add Real Estate to the Community, including all or any portion of the Expansion Property and to subject such additional Real Estate to the provisions of this Declaration;

8.2.2 the right to withdraw all or any portion of the Real Estate from the Community;

8.2.3 the right to create additional Units and Common Elements;

8.2.4 the right to construct Improvements to and upon the Common Elements, including, but not limited to, the right to construct any or the following: sidewalks, streets, club house, pool, landscaping, fencing, entry monuments, drainage and detention facilities, retention ponds, upon Common Elements owned by the Association;

8.2.5 the right to subdivide Units, to combine Units, to construct Improvements to Units, and to relocate boundaries between Units;

8.2.6 the right to convert Units into Common Elements, and convert Common Elements into Units, on all or any portion of the Real Estate or the Expansion Property.

Declarant may exercise its Development Rights on all or any portion of the Real Estate in whatever order of development Declarant, in its sole discretion, determines.

Section 8.3 Special Declarant Rights. The Declarant reserves, for itself and its successors in title, whether specifically recited in a deed or grant of a Unit from Declarant to its successor in title the following Special Declarant Rights:

8.3.1 the right to complete Improvements to Units and Common Elements;

8.3.2 the right to exercise any Development Right reserved in this Declaration or allowed in the Act;

8.3.3 the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary;

8.3.4 the right to maintain a sales office, parking areas, and one or more models in Units or within the Common Elements;

8.3.5 the right to maintain signs and advertising within the Common Interest Community;

8.3.6 the right to appoint or remove any officer of the Association or any member of the Executive Board during the Declarant Control period; and

8.3.7 the right to amend the Declaration and the Plat in connection with the exercise of any Development Right.

Each of the foregoing reserved rights may only be exercised by Declarant except as the same may be assigned to the Association.

Section 8.4 Additional Reserved Rights. In addition to the rights set forth above, Declarant, for itself and its successors in title, whether specifically recited in a deed or grant of a Unit from Declarant to its successor in title, also reserves the following additional rights:

8.4.1 Dedications. The right to establish, from time to time, by dedication or otherwise, public streets, utility and other easements for purposes including but not limited to public access, access, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions.

8.4.2 Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulations of parking and/or recreational facilities and/or Common Elements, which may or may not be a part of the Common Interest Community.

8.4.3 Construction Easement. Declarant and its assignees expressly reserve the right to perform warranty work, and repairs and construction work and to store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs, and the right of access thereto, until completion. All work may be performed without the consent or approval of any Unit Owner or holder of a Mortgage. Declarant and its assignees have such an easement through the Common Elements as may be reasonably necessary for exercising reserved rights in this Declaration and for access and utilities to any properties which Declarant had the right to add to the Community, but which have not been added. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Real Estate.

8.4.4 Limited Common Elements. The Declarant reserves for itself, and for the Association, after the first sale of all Units to third party purchasers, the right to allocate areas which constitute a part of the Common Elements as "limited common elements" (as that term is defined by the Act) for the exclusive use of the owners of Units to which those specified areas shall become appurtenant. The Declarant or Association may make such allocation or assignment (i) by making such an allocation in a recorded instrument, or (ii) by specific provision in the deed to the Unit to which such limited common element shall be appurtenant, or (iii) by recording an appropriate amendment or supplement to this Declaration or (iv) by recording a supplement to the Plat. Such allocations by the Declarant or by the Association may be made as a matter of reserved right.

8.4.5 Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration.

Section 8.5 Amendment of the Declaration. If Declarant elects to submit the Expansion Property to this Declaration, or to exercise any other rights reserved in this Article, Declarant shall record a amendment to the Declaration reallocating the Allocated Interests so that the Allocated Interests appurtenant to each Unit will be apportioned according to the total number of Units subject to the Declaration. The Allocated Interests appurtenant to each Unit in the Common Interest Community, as expanded, shall be calculated to provide a equal share of the Allocated Interests for each Unit in the Community as expanded from time to time.

The amendment to the Declaration shall contain the legal description of the Expansion Property being submitted to this Declaration [and a schedule of the Allocated Interests appurtenant to the Units in the Common Interest Community, as expanded,] and conform to the requirements in this Declaration and the Act.

Section 8.6 Amendment of the Plat. Declarant shall, contemporaneously with the Amendment of the Declaration, file an amendment of the Plat depicting the Units added or changed. The Amendment to the Plat shall conform to the requirements contained in this Declaration and the Act.

Section 8.7 Interpretation. Recording of amendments to the Declaration and Plat in the office of the Adams County Clerk and Recorder shall automatically:

8.7.1 Vest in each existing Owner the reallocated Allocated Interests appurtenant to his Unit; and

8.7.2 Vest in each existing Mortgagee, a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit. Upon the recording of an Amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Real Estate and the Community, as expanded. Expansion Property when added shall become a part of the Real Estate for all purposes. All conveyances of Units after such expansion shall be effective to transfer beneficial rights in the Common Elements as expanded to the Owners, whether or not reference is made to any Amendment to the Declaration or Plat. Reference to the Declaration and Plat in any instrument shall be deemed to include all Amendments to the Declaration and Plat without specific reference thereto.

Section 8.8 Construction. The buildings, structures and types of Improvements to be placed within the Expansion Property or any part thereof shall be of a quality equal to or better than the Improvements previously constructed within the Project, but need not be of the same size, style or configuration.

Section 8.9 Reciprocal Easements. If property is withdrawn from the Community ("Withdrawn Property"):

8.9.1 The Owner(s) of the Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Real Estate; and

8.9.2 The Owner(s) shall have whatever easements are necessary or desirable, if any, for access, utility service repair, maintenance and emergencies over and across the Withdrawn Property.

Declarant shall prepare and record in the office of the Clerk and Recorder of the County of Adams whatever documents are necessary to evidence such easements and shall amend the Declaration and the Plat to include reference to the recorded easement(s). Such recorded easement(s) shall specify that the owners of the Development Property and the Withdrawn Property and the Owners shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of a easement pursuant to this Section shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section.

Section 8.10 Termination of Rights.

8.10.1 The Development Rights and rights to expand the Real Estate reserved to Declarant, for itself, its successors and assigns, shall expire seven (7) years from the date of recording this Declaration, unless such rights are (i) extended as allowed by law or (ii) reinstated or extended by the Association, subject to whatever terms, conditions and limitations the Executive Board may impose on the subsequent exercise of the Expansion and Development Rights by Declarant, or (iii) terminated by written instrument executed by the Declarant, recorded in the records of the Clerk and Recorder of Adams County, Colorado.

Section 8.11 Legal Description. These development rights apply all portions of the Real Estate, as the same may be expanded by the exercise of rights granted to the Declarant under the Act and this Declaration.

Section 8.12 Additional Rights and Obligations of the Association. The following rights reserved by the Declarant may be exercised by the Association as a "Successor Declarant":

8.12.1 The Association shall have the right, from time to time, without the consent of any Unit Owner, to amend maps and plats and supplements thereto, to conform the map to the actual location and dimensions of any of the constructed Improvements and to establish, vacate, or relocate easements.

8.12.2 Upon the termination of the period of Declarant Control, the Association shall have all the Special Declarant Rights, Development Rights, and Additional Reserved Rights set forth in and according to the terms and conditions of this Declaration, to the extent not exercised by the Declarant or a successor or assign of Declarant.

Section 8.13 Rights Transferable/Rights Transferred. Any rights created or reserved under this Article or the Act for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of Adams County. Such instrument shall be executed by the transferor Declarant and the transferee. The rights transferred may then be exercised in compliance with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6) without the consent of the Association, any Unit Owners or any Institutional First Mortgagee.

Section 8.14 No Further Authorizations Needed. The consent of Unit Owners or First Mortgagees shall not be required for exercise of any reserved rights, and Declarant or it assignees may proceed without limitation at their sole option. Declarant or its assignees may exercise any reserved rights on all or any portion of the property in whatever order determined. Declarant or its assignees shall not be obligated to exercise any reserved rights.

Section 8.15 Amendment of the Declaration. If Declarant or its assignee elects to exercise any reserved rights, that party shall comply with the Act.

Section 8.16 Interpretation. Recording of amendments to the Declaration and the map or plat pursuant to reserved rights in this Declaration shall automatically effectuate the terms and provisions of that amendment. Further, such amendment shall automatically vest in each Owner any reallocated Allocated Interest based upon the formulas contained in this Declaration.

ARTICLE 9
INSURANCE/CONDEMNATION

Section 9.1 Insurance Carried. The Association shall obtain and maintain in full force and effect at all times certain property, casualty, liability and other insurance as prescribed by the Act. All such insurance shall be obtained, to the extent possible, from responsible companies duly authorized and licensed to do insurance business in the State of Colorado, and shall:

9.1.1 Provide for a waiver of subrogation by the insurer as to claims against the Association, its members of the Executive Board, officers, employees, agents and Owners.

9.1.2 Contain a severability of interest clause that the insurance cannot be canceled, invalidated or suspended because of the negligent or intentional acts of the Association, its officers, members of the Executive Board, employees and agents.

9.1.3 Provide that the policy of insurance shall not be terminated, canceled or substantially modified with no less than thirty (30) days prior written notice to the Association.

Any insurance policy may contain such deductible provisions as the Association deems consistent with good business practice and which shall be consistent with the requirements of any Institutional First Mortgagees. Any loss falling within the deductible portion of a policy shall be borne by the Owner of the property damaged or the party suffering the loss. The cost and expense of all insurance obtained by the Association shall be paid for out of Association funds collected by Assessments and otherwise as provided in this Declaration.

Section 9.2 Hazard Insurance. The Association or its agents shall obtain and maintain at all times insurance coverage providing all risk coverage, or the nearest equivalent available for the full replacement cost of the Common Elements, the Unit Exteriors, and such portions of the Units which the Association determines it shall insure. In absence of any written policies of the Association regarding insurance of Units, such insurance shall be the sole responsibility of Unit Owners, in the amount of the full replacement value without deduction for depreciation.

If obtainable, the Association shall also obtain the following and any additional endorsements deemed advisable by the Executive Board: (a) an Inflation guard endorsement, (b) a Construction Code endorsement, (c) a demolition cost endorsement, (d) a contingent liability from operation of building laws endorsement, (e) an increased cost of construction endorsement, and/or (f) any special PUD endorsements.

Section 9.3 Liability Insurance. The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering the Common Elements, including structural coverage of the Units, in such limits as the Board may from time to time determine, but not in any amount less than One Million Dollars ($1,000,000.00) per injury, per person, and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of the Common Interest Community. The foregoing liability insurance shall name the Association as the insured.

Section 9.4 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, members of the Executive Board, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, members of the Executive Board, trustees and employees..

Section 9.5 Owners' Insurance. Each Owner shall be responsible for obtaining property, hazard and liability insurance for the Owner's Unit and all personal property and furnishings belonging to the Owner and the Improvements thereon (except to the extent the Association elects or is required to insure pursuant to this Article 9) and the Association shall not be responsible for providing any such insurance. Nothing herein shall be construed as requiring any Owner to obtain any insurance whatsoever as to his own Unit or personal property.

Section 9.6 Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 9.7 Officers' and Directors' Personal Liability Insurance. The Association shall obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association. Neither the term "officers" nor the term "directors" shall include any officer, director, agent or employee of Declarant nor any officer, director, employee or agent of any professional manager or managing agent heretofore or hereafter employed by the Association, but shall include all members of committees of the Board.

Section 9.8 Other Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 9.9 Insurance Premium. Except as assessed in proportion to risk, if permitted under the terms of this Declaration, insurance premiums for the above provided insurance shall be a Common Expense to be included as a part of the annual Assessments levied by the Association.

Section 9.10 Managing Agent Insurance. The manager or managing agent, if any, shall be adequately insured for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

Section 9.11 Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and Unit Owners, the Association and the Unit Owners hereby waive and release all claims against one another, the Board and Declarant, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.

Section 9.12 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required.

Section 9.13 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association, and not to any Institutional First Mortgagee or other such holder of a First Mortgage. The Association shall hold any insurance proceeds in trust for the Association, Unit Owners and Institutional First Mortgagees or other holders of First Mortgages as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association, Unit Owners and Institutional First Mortgagees or other holders of First Mortgages are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored. The Rules and Regulations may include nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Unit Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event that more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Unit Owner a pro rata share of any deductible paid by the Association.

Section 9.14 Duty to Repair. Any portion of the Common Interest Community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association or Unit Owner, at the Unit Owner's option on whether the repair is done by the Association or the Unit Owner, except as provided in the Act.

Section 9.15 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Unit Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record, and pursuant to the Act.

ARTICLE 10
DESIGN REVIEW COMMITTEE

Section 10.1 Design Review by the Declarant. Each Owner, by a deed or other instrument conveying an interest in any portion of the Real Estate, acknowledges that, as the Declarant and initial owner of the Real Estate, the Declarant has a significant and substantial interest in ensuring that the Improvements within the Real Estate enhance the Community and do not adversely impact the ability of the Declarant to market, sell, or lease any portion of the Real Estate. Each Owner, by acceptance of a deed or other instrument conveying an interest in a Unit, agrees that no Improvement shall be commenced within a Unit unless and until the Declarant has given its prior written approval for such Improvements, which approval may be granted or withheld in the sole discretion of the Declarant. In reviewing and acting upon any request for an approval, the Declarant shall be acting in its own interest and shall owe no duty to any other person, including, without limitation, the Association or any of its members. The Declarant shall establish all initial Design Guidelines and, upon the sale of all Units, the Executive Board shall adopt, amend, and enforce all Design Guidelines.

The rights reserved to the Declarant pursuant to this Article 10 shall be applicable unless or until Declarant no longer owns a Unit within the Community [or to comply with some lender requirements: seven years from the date this Declaration is recorded] unless earlier assigned or terminated by a written instrument executed by the Declarant.

Section 10.2 Design Review Committee. The Declarant may, but shall not be obligated to, assign all or a portion of its reserved rights under this Article 10 to a design review committee appointed by the Executive Board (the "Design Review Committee"), subject to (i) the right of the Declarant to revoke such assignment at any time and thereafter resume jurisdiction over the matters previously assigned within a Unit and (ii) the right of the Declarant to veto any decision of the Design Review Committee which the Declarant believes, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as the Declarant has retained any rights under this Article 10, the authority of the Design Review Committee shall be limited to such matters as are specifically assigned to it by the Declarant. Unless and until such time as the Declarant assigns all or a portion of its reserved rights, neither the Design Review Committee nor the Association shall have any authority over design matters and upon any such assignment, the Design Review Committee shall accept and exercise the authority so assigned strictly in accordance with this Article 10 and in accordance with any such assignment.

Upon expiration or termination of the rights of the Declarant under this Article 10, the Executive Board shall appoint all members of the Design Review Committee (who may also be members of the Executive Board) and, thereafter, the Design Review Committee shall assume responsibility for design matters, shall exercise all those powers previously reserved to the Declarant pursuant to this Article 10.

Section 10.3 Notice of Noncompliance. If, as a result of inspections or otherwise, the Design Review Board finds that any Improvement has been done without obtaining the approval of the Design Review Board, or was not done in substantial compliance with the description and materials furnished to, and any conditions imposed by, the Design Review Board, the Design Review Board shall provide notice of the particulars of the noncompliance and shall require the Owner of the Unit upon which such Improvements have been made to take such action as may be necessary to remedy the noncompliance. At the sole election of the Executive Board, if such noncompliance is not remedied within thirty (30) days of the date set forth on the notice, the notice may be recorded in the records of the Adams County Clerk and Recorder.

Section 10.4 Nonliability of the Design Review Board and Executive Board Members. Neither the Design Review Board nor the Executive Board nor any member thereof shall be liable to the Association or to any Owner or person for any loss, damage or injury arising out of or in any way connected with the performance of the Design Review Board's or Executive Board's respective duties under this Declaration or the Governing Documents unless due to an act or omission not in good faith or which involves intentional misconduct or a knowing violation of a law by the Design Review Board or Executive Board or individual members thereof. The Design Review Board or Executive Board shall not be responsible for reviewing, nor shall its approval of any Plans and Specifications be deemed approval of, structural safety, engineering soundness, or conformance with building codes or any other laws or standards.

Section 10.5 Variances. The Design Review Board may authorize variances from compliance with any of the architectural provisions, Guidelines or Rules and Regulations, when circumstances so warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all the members of the Design Review Board and approved by a majority of the Executive Board. If such a variance is granted, no violation of the Covenants, conditions or restrictions contained in this Declaration or in other Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision in the particular instance covered by the variance.

Section 10.6 Scope of Judicial Review. The scope of judicial review of any action taken by the Association or the Design Review Board pursuant to this Article 10, including but not limited to the promulgation and enforcement of Design Guidelines and review, shall be limited to cases of fraud, bad faith, or lack of due process.

ARTICLE 11
ALLOCATED INTERESTS

Section 11.1 Formula for Determining Allocated Interests. The Common Expenses and the votes in the Association shall be allocated to each Unit, calculated as follows:

11.1.1 the percentage of liability for Common Expenses: on the basis of a fraction, the numerator is one and the denominator is the total number of Units within the Common Interest Community; and

11.1.2 the number of votes in the Association: on the basis of one Unit, one vote; cast in accordance with the provisions of the Bylaws.

Section 11.2 Reallocation. When Units are withdrawn from, or added to, the Common Interest Community, pursuant to the provisions of this Declaration and the Act, the formula set forth in Section 11.1 above shall be used to reallocate the Allocated Interests.

ARTICLE 12
ALTERNATIVE DISPUTE RESOLUTION

Section 12.1 Purpose. The purpose of the Declaration is to establish a harmonious community. Because the prompt, efficient, fair and non-belligerent resolution of any disputes is desirable, any controversy arising out of or relating to this Declaration, or a breach thereof, or any other dispute between (i) the Declarant and (ii) the Association or any Owner shall be resolved as set forth in this Article.

Section 12.2 Direct Communication. The parties to the disagreement shall set forth their respective positions in the dispute in correspondence. Each party shall respond within seven days after receipt of a letter from the other until agreement is reached.

Section 12.3 Mediation. If the dispute cannot be resolved through direct communication of the parties, either party may request appointment of a neutral and properly credentialed mediator. Both parties shall participate in the mediation in good faith until the dispute is resolved for a period not to exceed thirty days with the consent of all parties. The cost of the mediation shall be divided equally among the parties.

Section 12.4 Arbitration.

12.4.1 Method. If the dispute cannot be resolved through mediation, either party may request appointment of one or more neutral and properly credentialed arbitrators with expert knowledge and experience regarding the subject in dispute. The initiating person shall give written notice of its decision to arbitrate by providing a specific statement setting forth the nature of the dispute, the amount involved and the remedy sought. The initiating person shall be responsible for all filing requirements and the payment of any fees according to the rules of the applicable regional office of the American Arbitration Association. The parties shall have an equal and fair opportunity to present their respective positions to the arbitrators, orally or in writing, as the arbitrators may specify depending on the nature of the dispute. The arbitrators may require such testimony, materials and documentation as they may determine to be appropriate. The arbitrators shall provide a written resolution within thirty days after the conclusion of the presentations of the parties and receipt of requested materials and documents. Any dispute shall be settled by binding arbitration administered by the American Arbitration Association

12.4.2 Costs. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and expenses including any attorney's fees, arbitrator's fees and out-of-pocket expenses of any kind. The term "prevailing party" shall mean the party whose position is most nearly upheld in arbitration. (For example, the prevailing party would be the party who is required to pay $1,000.00 in the arbitration proceeding where such party had, prior to the commencement of the arbitration, offered $500.00 by way of settlement and the opposing party, refusing such offer, had claimed entitlement to $10,000.00.)

12.4.3 Binding Nature; Applicable Law. The consideration of the parties to be bound by arbitration is not only the waiver of access to determination by a court and/or jury, but also the waiver of any rights to appeal the arbitration finding other than the reasons available under Colorado law. A judgment upon an award rendered by the arbitrator may be entered in the any court having jurisdiction.

Section 12.5 Location. The alternative dispute resolution proceeding shall be held the greater metropolitan Denver area in the State of Colorado unless otherwise mutually agreed by the parties.

Section 12.6 Sole Remedy; Waiver of Judicial Rights. The Declarant, the Association, and each Owner expressly consent to this procedures established in this Article as their sole and exclusive remedy, and expressly waive any right they may have to seek resolution of any dispute contemplated by this Article in any court of law or equity, and any right to trial by judge or jury. If a dispute involves the Declarant, an Owner or the Association, no person shall file a memorandum of lis pendens or similar instrument that would encumber or create a lien upon the land owned either by the Declarant or the Association.

ARTICLE 13
AMENDMENT AND TERMINATION

Section 13.1 Technical, Clerical, Typographical or Clarification Amendment. If either the Declarant or the Executive Board shall determine that any amendments to this Declaration or to the Plat shall be necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement, then, subject to the following sentence of this Section, the Declarant shall have the right and power to make and execute any such amendment during the period of Declarant control, and thereafter the Executive Board shall have the right and power to make and execute any such amendments without obtaining the approval of any Owners. Each such amendment of this Declaration shall be made, if at all, by the Executive Board prior to the expiration of seven (7) years from the date this Declaration is recorded.

Section 13.2 Necessary to Exercise Authority of Association Documents. In addition to the rights granted to the Declarant to execute amendments to this Declaration, the Executive Board shall have the authority to execute amendments to this Declaration or to the Plat which are reasonably necessary in order to perform duties authorized by this Declaration.

Section 13.3 Attorney in Fact. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Executive Board to make or consent to an amendment under this Article 13 on behalf of each Owner and holder of a Mortgage. Each deed, Mortgage, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Executive Board to make, execute and record an amendment under this Section.

Section 13.4 Amendment of Declaration by Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of others, any provision, covenant, condition, restriction (except the use restrictions set forth in Article 7, which shall only be amended by 67%) or equitable servitude contained in this Declaration may be changed or repealed, and any such provision added to this Declaration at any time and from time to time upon approval of the Executive Board and at least fifty-one percent (51%) of the votes in the Association cast at a meeting in person or by proxy, by written approval, or by mail ballot.

Section 13.5 Amendment Required by Mortgage Agencies. Prior to seven (7) years after recording of this Declaration, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which the FHA, VA, FHLMC, GNMA, FNMA or any similar entity authorized to insure, guarantee, make or purchase Mortgage loans requires to be amended or repealed may be amended or repealed by Declarant or the Association. Any such amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Adams County, State of Colorado, of a certificate, setting forth the amendment or repeal in full.

Section 13.6 Recording of Amendments. To be effective, all amendments to or termination of this Declaration must be recorded in the office of the Clerk and Recorder of Adams County, Colorado, and must contain evidence of approval thereof. One method of satisfying the requirements of this Section is the recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of the Units have given their notarized written consent to the amendment. The Secretary must further certify that originals of such written consent by Owners along with the recorded amendment are in the corporate records of the Association and available for inspection. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one (1) year after the amendment is recorded.

Section 13.7 Unanimous Consent Required for Certain Amendments. Except as otherwise provided in this Declaration, no amendment may create or increase Special Declarant Rights or change the formulas for determining Allocated Interests as set forth in Article 11 above, in the absence of unanimous consent of the Owners.

Section 13.8 Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of this Declaration reserving development rights or for the benefit of the Declarant, or the assignees, shall not be effective unless Declarant, and its assignees, if any, have given written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant or its assignees of any certificate of amendment or repeal. The foregoing requirement for consent to any amendment or repeal shall terminate upon conveyance of 100% of the Units to Unit Owners, whichever occurs first.

Section 13.9 Association Certification. Amendments to the Declaration required by this Article to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. In the event of an amendment to the Declaration by the Owners, the Association shall record the amendment with a certificate from the

Association executed by any officer designated for that purpose, or, in the absence of the designation, by the president, that the requisite number of Owners, have consented to the amendment.

Section 13.10 Expenses. All expenses associated with preparing and recording an amendment to the Declaration shall be the sole responsibility of:

13.10.1 In the case of an amendment pursuant to reallocation of Allocated Interests, recordation of new plats and exercise of Development Rights, the Declarant; and

13.10.2 In all other cases, by the Association as a Common Expense.

Section 13.11 Termination. The Common Interest Community may be terminated upon an affirmative vote of the Owners holding 90% of the Allocated Interests, and in accordance with Section 38-33.3-218 of the Act.

ARTICLE 14
GENERAL PROVISIONS

Section 14.1 Enforcement. The Association or a Unit Owner or Unit Owners of any of the Units may enforce the Covenants by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorneys fees incurred in enforcing the Covenants, or to restrain such violation or attempted violation. Failure of the Association or of any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Executive Board may post on a bulletin board at a conspicuous place within the Common Elements notices of any covenant violations by members and copies of any recorded statements. Failure to post shall not affect the validity of any lien or covenant violation. Disputes which do not involve payment of sums and charges due to the Association, upon approval of both the Owner(s) and the Executive Board, may be submitted to binding arbitration.

Section 14.2 Right to Pay Taxes and Insurance Premiums. Any Institutional First Mortgagee or other holder of a First Mortgage shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against a Unit.

Section 14.3 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 14.4 Term of Declaration. The provisions of this Declaration (and all Covenants) shall run with and bind the Real Estate in perpetuity, unless terminated pursuant to Section 13.11 above.

Section 14.5 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Units and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 14.6 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 14.7 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized manager this 29th day of January, 2001.

JASMINE ESTATES, LLC,
a Colorado limited liability company

By: [signature]
Its Manager–Gene Osborne

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing Declaration was acknowledged before me by Gene Osborne Pres. [illegible] Holding Corp, Mgr. [illegible] as Manager of Jasmine Estates, LLC, a Colorado limited liability company, on this 29 day of January 2001.

My commission expires: 4-3-2002

Witness my hand and official seal.

MARA A. GRANNELL NOTARY PUBLIC STATE OF COLORADO

[signature]
Notary Public

LENDER CONSENT

Consent is hereby given to the above Declaration. The undersigned agrees and acknowledges that any foreclosure or enforcement of any other remedy available to the undersigned under the deed of trust recorded on Numerous in Book _______, Page _______ of the records of the Clerk and Recorder of the County of Adams, Colorado and any amendments or modifications thereof, or under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Real Estate (as that term is used in this Declaration) will not render void or otherwise impair the validity of the Declaration, the plat or the Covenants running with the Real Estate. Additionally, the undersigned subordinates the lien and interests of the undersigned under its deed of trust as above referenced and under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Real Estate to the Covenants, terms and conditions of the above Declaration.

Dated in Greenwood Village, Colorado, this 30th day of January, 2001.

By: __________________
Authorized Agent Daniel W. Baylor
Colorado Director of Construction Lending

ATTEST:

By: __________________
Authorized Agent

STATE OF Colorado)
) ss.
COUNTY OF Arapahoe)

The foregoing was acknowledged before me by Daniel W. Baylor, as Colorado Director of Construction Lending and by __________, as __________ of Republic Mortgage ____ this 30th day of January, 2001.

My commission expires: 4-3-2007

Witness my hand and official seal.

____
Notary Public

LENDER CONSENT

Consent is hereby given to the above Declaration. The undersigned agrees and acknowledges that any foreclosure or enforcement of any other remedy available to the undersigned under the deed of trust recorded on October 12, 1999 in Book 5918, Page 606 of the records of the Clerk and Recorder of the County of Adams, Colorado and any amendments or modifications thereof, or under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Real Estate (as that term is used in this Declaration) will not render void or otherwise impair the validity of the Declaration, the plat or the Covenants running with the Real Estate. Additionally, the undersigned subordinates the lien and interests of the undersigned under its deed of trust as above referenced and under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Real Estate to the Covenants, terms and conditions of the above Declaration.

Dated in COLORADO SPRINGS, Colorado, this 26 day of JANUARY, 2000.

By: [signature]
Authorized Agent

ATTEST:

By: ______________________
Authorized Agent

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing was acknowledged before me by ROBERT M. ALEXANDER, as PRESIDENT OF PARKED FINANCIAL and by ______________________ as ______________________ UNIVERSITIES, LLC of ______________________ this 26 day of JANUARY, 2000.

My commission expires: 1-19-06

Witness my hand and official seal.

Judith Ingels
Notary Public

JUDITH INGELS NOTARY PUBLIC STATE OF COLORADO

EXHIBIT A

DESCRIPTION OF THE REAL ESTATE

Lots 1 through 8,
Block 18
JASMINE ESTATES FILING NO. 1,
according to the recorded plat thereof
County of Adams
State of Colorado.

Subject to the terms, conditions, obligations and provisions of the following documents or exceptions to title:

1. All taxes and assessments for the year 2001 and subsequent years, a lien, but not yet due or payable.

2. Easements, conditions, restrictions, and reservations on the recorded plat.

3. Reservation of an undivided 50% of all oil, gas and other minerals as evidenced by Deeds recorded December 20, 1978 in Book 2302 at Page 930, recorded March 12, 1979 in Book 2325 at Page 832, recorded March 10, 1983 in Book 2725 at Page 363, recorded August 4, 1988 in Book 3474 at Page 742.

4. Terms, conditions, provisions, agreements, and obligations specified under the Wright Farms Preliminary PUD Plan recorded November 26, 1982 at Reception No. B407509, Wright Farms Filing No. 4 Amended Preliminary PUD Plan recorded February 16, 1996 at Reception No. C0148227 and Wright Farms Filing No. 4 Final PUD Plan recorded October 1, 1996 at Reception No. CO217470.

5. Terms, conditions, provisions, agreements, and obligations specified under the Service Plan for West Adams County Water and Sanitation District recorded May 27, 1983 in Book 2751 at Page 544.

6. Terms, conditions, provisions, agreements and obligations specified under the Agreement recorded March 1, 1985 in Book 2972 at Page 770.

7. Terms, conditions, provisions, agreements and obligations specified under the Service Contract recorded April 29, 1985 in Book 2994 at Page 364.

8. The effect of the inclusion of the subject property in the Wright Farms Metropolitan District, as disclosed by the instrument recorded January 3, 1986 in Book 3094 at Page 652.

NOTE: Resolution approving the Service Plan of Wright Farms Metropolitan District recorded August 19, 1985 in Book 3038 at Page 201.

9. Covenants, conditions and restrictions, which do not include a forfeiture or reverter clause, set forth in the instrument(s) recorded January 27, 1986 in Book 3103 at Page 489.

   NOTE: Amendment of said covenants, conditions and restrictions by an instrument recorded March 28, 1986 in Book 3125 at Page 942.

10. Terms, conditions, provisions, agreements and obligations specified under the Resolution of Board of Directors of Wright Farms Metropolitan District recorded December 12, 1990 in Book 3735 at Page 607 and Amendment thereto recorded September 10, 1992 in Book 3953 at Page 326 and Second Amendment thereto recorded January 10, 1995 in Book 4450 at Page 824 and amendment recorded November 24, 1997 in Book 5164 at Page 180.

11. Terms, conditions, provisions, agreements, and obligations specified under the Zoning Hearing Decision - Case #120-95-GDP-PUD(A) recorded September 29, 1995 in Book 4597 at Page 736 and Zoning Hearing Decision - Case #11-96-PUD-(P) recorded April 23, 1996 in Book 4731 at Page 61.

12. Easements, notes, terms, conditions, provisions, agreements and obligations as shown on the plat of Wright Farms Filing No. 4 recorded May 20, 1996 in File No. 17, Map No. 523, Reception No. C0176492.

13. Right of Way for existing New Community Ditch and terms, conditions, provisions, agreements, obligations specified under the Agreement pertaining to said ditch recorded June 28, 1996 in Book 4783 at Page 453 and as disclosed in Warranty Deed recorded August 26, 1999 in Book 5868 at Page 490.

14. Terms, conditions, provisions, agreements and obligations specified under the Resolution Approving a Development Agreement recorded September 25, 1996 in Book 4844 at Page 595.

15. Terms, conditions, provisions, agreements, and obligations specified under the Zoning Hearing Decision - Case 096-99-PUD-P recorded August 21, 1999 in Book 5874 at Page 870 and Case MIS2000-00001 recorded March 3, 2000 in Book 6053 at Page 609.

16. Easements, notes, terms, conditions, provisions, agreements and obligations as shown on the plat of Jasmine Estates Filing No. 1 recorded October 12, 1999 in File 18, Map 120, Reception No. CO601284 and Affidavit of Correction recorded February 28, 2000 in File 18, Map 186, Reception No. C0644572.

17. Terms, conditions, provisions, agreements, and obligations specified under the New Union Community Ditch Company recorded January 13, 2000 in Book 6009 at Page 808.

18. Easements, notes, terms, conditions, provisions, agreements and obligations as shown on the Jasmine Estate Final PUD Plan recorded April 11, 2000 in PUD 3171 at Reception No. C0659375.

EXHIBIT B

COMMON ELEMENTS

Tract A
JASMINE ESTATES FILING NO. 1
according to the recorded plat thereof,
County of Adams
State of Colorado
and all areas outside Unit boundaries which are owned by the Association,
together with any Improvements constructed thereon.

EXHIBIT C

EXPANSION PROPERTY

All Lots and Blocks within Jasmine Estates Filing No. 1, according to the recorded plat thereof, County of Adams, State of Colorado

except the following real property:

Lots 1 through 8
Block 18
JASMINE ESTATES FILING NO. 1
County of Adams
State of Colorado