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ARAPAHOE COUNTY

DECLARATION
OF
THE SANCTUARY ON THE PARK

Disclosure Report
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**DECLARATION
OF
THE SANCTUARY ON THE PARK**

THIS DECLARATION, made on the date hereinafter set forth, by **THE SANCTUARY ON THE PARK, LLC**, with an address of 1190 South Colorado Boulevard, Suite 300, Denver, CO 80246 ("Declarant").

RECITALS:

- (a) Declarant is the owner of certain real estate in the County of Arapahoe, 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 estate described in Exhibit A under the name of The Sanctuary on the Park, in which portions of the real estate described in Exhibit B will be designated for separate ownership and uses of a residential nature, and in which portions of the real estate described in Exhibit B may be designated for common ownership by a Unit Owners' Association.
- (c) Declarant has caused "The Sanctuary 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 1.01 Submission of Real Estate. The Declarant hereby submits the real estate 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 buildings and 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 In the event the Act is repealed, the Act on the effective date of this Declaration shall remain applicable.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 described in Exhibit A, and as added by expansion, 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 1.02 Defined Terms. Each capitalized term in this Declaration or in the map shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration.

- (a) Common Elements means the real estate within this Common Interest Community owned by the Association, other than a Unit; which real estate is designated in the recorded map or plat and in this Declaration.
- (b) Common Expense Assessment(s) shall include, in supplementation to the definition of Common Expense Assessments included in the Act, late charges, attorneys' fees, fines and interest charged by the Association.
- (c) Design Review Committee means the three (3) member committee created for the purpose of establishing architectural controls over the Common Interest Community to insure the proper use and appropriate development and improvement of the Common Interest Community so as to provide for harmonious development and improvement of the Common Interest Community.
- (d) Improvement(s) means structures installed within or upon a Unit.
- (e) Limited Common Elements means those portions of the Common Elements, designated by Declarant or the Association for the exclusive use of one or more but fewer than all of the Units.
- (f) Person With a Disability means and includes any person with a "handicap," as defined under the Federal Fair Housing Act and the regulations adopted by the federal government in connection therewith, as such statute and regulations may be amended from time to time.
- (g) Unit means a physical portion of the Common Interest Community, designated for separate ownership, shown as a Unit or lot on the recorded map for the Common Interest Community, the boundaries of which are defined in the map and in Article 4 of this Declaration.
- (h) Unit Owner or Owner means the Declarant, or any other person or entity that owns a Unit.

ARTICLE 2 - NAMES/DESCRIPTION OF REAL ESTATE

Section 2.01 Name and Type. The type of Common Interest Community is a Planned Community. The name of the Common Interest Community is "The Sanctuary on the Park." The name of the Association is "The Sanctuary Community Association, Inc." The name on the plat and Final Development Plan (FDP) which is recorded in Arapahoe County is The Greens at Cherry Creek.

Section 2.02 Real Estate. The Common Interest Community is located in Arapahoe County, 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 this Declaration, or granted by authority reserved in any recorded document.

Section 2.03 Utility and Plat Easements. Easements for utilities and other purposes over and across the Units and Common Elements may be as shown upon the recorded plat of the Common Interest Community, and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 2.04 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 this Declaration.

Section 2.05 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.

ARTICLE 3 - THE ASSOCIATION

Section 3.01 Membership. Every person who is a record 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 3.02 General Purposes and Powers of the Association. The Association, through its Executive Board, shall perform functions and manage the Common Interest Community as provided in this Declaration so as to further the interests of the residents, occupants, tenants and guests of the Common Interest Community and members of the Association. 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.

Section 3.03 Authority of the Association. The business affairs of the Common Interest Community shall be managed by the Association. The Association shall be governed by the Colorado Common Interest Ownership Act, this Declaration, its Articles of Incorporation and Bylaws, as amended from time to time, and any rules and regulations adopted by the Executive Board. 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 3.04 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. The Association shall have all of the powers, authority and duties permitted or set forth in the Act. 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 3.05 Allocated Interests. The Common Expense liability, percentage ownership interest of each Unit Owner in the Common Elements and votes in the Association allocated to each Unit are set as follows:

- (a) the percentage of liability for Common Expenses, on an equal basis for all Units in the Common Interest Community;

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(b) the number of votes in the Association, on an equal basis for all Units in the Common Interest Community.

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

Section 3.06 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 Declarant Control Period 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 upon not more than thirty days' notice to the other party thereto.

Section 3.07 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. This power of Declarant (the period of Declarant Control) terminates no later than the earlier of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of all Units that may be created in the ordinary course of business to Unit Owners other than the Declarant; (ii) two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business to a Unit Owner other than Declarant; or (iii) two (2) years after the right to add new Units was last exercised.

During the period of Declarant Control, the Declarant's Control shall be subject to the following limitations: (i) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit 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 Unit Owners other than the Declarant; (ii) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant Control, but, in that event, the Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Section 3.08 Indemnification. To the full extent permitted by law, each officer and director 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 director of the Association, or any settlements thereof, whether or not they are an officer or director of the Association at the time such expenses are incurred; except in such cases wherein such officer or director 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.

ARTICLE 4 - UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 4.01. Number of Units. The number of Units initially included in the Common Interest Community is three (3). The Declarant reserves the right to create and add up to a total of one hundred (100) units for the Community, or such higher number of Units for the properties subject to this Declaration as allowed by any governmental entity having jurisdiction.

Section 4.02. Identification of Units/Unit Descriptions. The identification number of each Unit is shown on the recorded subdivision plat. Every contract for sale, deed, lease, Security Interest, will or other legal instrument shall legally describe a Unit by its identifying lot number followed by the name of the community, with reference to the plat. An illustrative description is as follows:

Lot _____, The Greens at Cherry Creek, Filing No. 2, in accordance with the recorded plat, Arapahoe County, Colorado.

Reference to the Declaration and plat or map in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration, plat or map, without specific references thereto.

Section 4.03 Unit Maintenance/Unit Boundaries. Unit Owners are responsible for the maintenance, repair and replacement of the Improvements and properties located within their Unit boundaries which are not specifically the obligation of the Association to maintain, replace and keep in good repair. The Association is not otherwise responsible for maintenance and/or repair to Units except as described in this Declaration, even though the Association provides hazard insurance on Units, which insurance may provide for repairs caused by covered causes. In the event a Unit Owner makes repairs and/or replacements to the exterior of the Unit, use of any materials and/or colors that are different from the original construction shall require the approval of the Association's Design Review Committee.

The following are designated as boundaries of each Unit, as defined below and as depicted on the map or plat: the planes defined by the lot lines on the plat for the real estate. Each Unit includes the spaces and improvements lying within the boundaries described above, and also includes the utilities and utility meters and communications, television, telephone and electrical receptacles and boxes serving that Unit exclusively, whether or not in the boundaries or contiguous to the Unit, unless the same are maintained by a governmental agency or entity. The Common Elements are excluded from each Unit and any utilities or other facilities running through or within any Unit for the purpose of furnishing utility and other service to other Units and/or the Common Elements are also excluded.

Section 4.04 Common Elements, Association Maintenance and Limited Common Elements.

(a) Portions of the Common Elements may be designated as Units or Limited Common Elements, and portions of Units may become Common Elements or Limited Common Elements, pursuant to rights reserved elsewhere in this Declaration.

(b) Where fencing is installed behind any unit located on the perimeter boundary of the community, that fencing shall be designated as a common element to be maintained by the Association. Per the Final Development Plan (FDP) for The Greens at Cherry Creek (aka The Sanctuary on the Park) approved by Arapahoe County, a four foot (4') high split rail fence, with open wire mesh will be installed along the boundary between Sanctuary on the Park and Cherry Creek State Park. In addition, the same split rail fence detail will be installed between East Maplewood Ave. and South Blackhawk Court, along Jordan Road, and from the intersection of Jordan and Caley to west side of South Carson Street. A 6' high solid fence will be installed from the south side of South Blackhawk Court to the intersection of Jordan Road and Caley. Stone entry monuments will be installed at East Maplewood Ave. and Jordan Road, as well as at South Blackhawk Court, at the Jordan and Caley intersection and on the east side of the South Carson and Caley intersection. Drawings of these monuments will be provided upon request. These fences and entry monuments will be installed by the Sanctuary on the Park LLC.

Fencing on individual lots at Sanctuary on the Park is limited, per the recorded FDP Document, to the installation of four foot (4') high split rail fence with open wire mesh, at rear and side yards of homes for pet control. This split rail fencing must be of "rustic" design to compliment the split rail fence being used on the perimeter of the community. The intent of this fencing is not for rear and side yard privacy, but for enclosures for pets.

All fencing must be approved by the Sanctuary on the Park Design Review Committee, (DRC) prior to installation.

(c) The Executive Board of the Association shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance responsibilities. The Association shall be responsible for the maintenance, repair and replacement of any Common Elements, including snow removal and landscape care; for the improvement, maintenance, repair, upkeep and reconstruction of the Common Elements; the improvement, upkeep and maintenance, repair and reconstruction of landscaped areas in dedicated public right of ways, including sidewalks; or for the payment of expenses which may be incurred by virtue of agreement with or requirement of any local governmental authority, Arapahoe County or other government authorities; for maintenance of Common Element fences along the rear lot line of certain Units, and for such other maintenance and repair as set forth below. Additionally, the Association shall provide the following services to units: landscape care for the areas of the Unit that are not enclosed by individual lot privacy fencing, with landscape care to include maintenance of grass, trees, shrubs, rock/mulch areas, and sprinkler systems; limited snow removal from private walks, driveways and from the front porch to the front entry door; and trash removal if it is not provided by the appropriate governmental jurisdiction. The Association may attach an electric clock for landscape watering or other landscape maintenance to the electric meter for any Unit, and the cost thereof, being nominal, shall be the cost of the Unit Owner of that Unit, without the obligation of the Association to reimburse that Owner for electrical or other utility charges.

(d) The Executive Board of the Association may, at any time and from time to time, determine that the Association shall provide additional exterior maintenance upon the Units. In the event that the Association elects to provide such additional maintenance, the costs thereof shall be a Common Expense of the Association if ratified by the members pursuant

to the budget process set forth in the Act. Any such additional maintenance services provided in accordance with this paragraph may also be revoked, at any time and from time to time, by the Executive Board of Directors of the Association. The Association may reduce the original level of maintenance provided on individual units as described above, upon approval of at least sixty-seven per cent (67%) of votes in the Association.

(e) The Declarant reserves, through seven (7) years after the recording of this Declaration, the right to allocate areas as Common Elements, and further, to allocate areas which constitute a part of the Common Elements as Limited Common Elements for the exclusive use of the owners of Units to which those specified areas shall become appurtenant. The Declarant may allocate or assign Common Elements or Limited Common Element areas (i) by making such an allocation in a recorded instrument, or (ii) 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 map or plat. Such allocations by the Declarant may be made as a matter of reserved right by the Declarant.

Section 4.05 Unit Owners' Easements of Enjoyment. Every Unit Owner shall have a right and easement 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:

(a) The right of the Association to promulgate and publish rules and regulations which each Unit Owner and their guests shall strictly comply with.

(b) The right of the Association to suspend the voting rights and rights to use the Common Elements by an 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 its published rules and regulations.

(c) 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, if the grant is approved by the affirmative vote of Unit Owners having sixty-seven percent (67%) of the votes appurtenant to all Units, and consented to, in writing, by the holders of first lien Security Interests in the Units whose Unit Owners vote affirmatively. Additionally, such grants shall not adversely effect the sole means of access to a Unit. Further, if the grant affects any Limited Common Element, such grant shall also require the express written consent of all Unit Owners having the right to use such Limited Common Element and of all holders of first lien Security Interest in the Units to which such Limited Common Element is appurtenant. The granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause.

Any easement, right-of-way, license or similar interest granted by the Association pursuant to this Section shall state that the grant was approved (a) by Unit Owners having at least sixty-seven percent (67%) of the votes, and by the corresponding holders of first lien Security Interests, (b) if appropriate, by all Unit Owners having the right to use any Limited Common Element affected by the grant, and by the corresponding holder of first lien Security Interests. Such grant procedure may be used for the purpose (among other things) of permitting reasonable modification of the Common Elements to be made by or at the request of, and at the expense of, a Unit Owner, if such modifications are necessary under the Federal Fair Housing Act (as heretofore and hereafter amended) or otherwise appropriate to afford to one or more Persons With A Disability, residing at or intending to reside at the Unit, the full enjoyment of such Unit, the Limited Common Elements appurtenant to such Unit and/or the Common Elements.

(d) The right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements in the Common Elements.

(e) The Development and Special Declarant Rights of the Declarant reserved in this Declaration.

Section 4.06 Delegation of Use. Any Unit Owner may delegate their right of enjoyment to the Common Elements and facilities to the members of their family, their tenants, guests, or contract purchasers who reside at their Unit.

ARTICLE 5 - COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 5.01 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 Unit 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 annual Common Expense Assessments and such other assessments as imposed by the Association. Such assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall be the personal obligation of the Unit Owner of such Unit at the time when the assessment or other charges became or fell due. The Association annual Common Expense Assessments and such other assessments as imposed by the Association, including fees, charges, late charges, attorney fees, fines and interest charged by the Association, shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such assessment or charge 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 due the Association shall not pass to a successor in title unless expressly assumed by them. No Unit Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense 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 5.02 Apportionment of Common Expenses. Except as provided 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 at Article 3.05.

Section 5.03 Purpose of Assessments. The assessments levied by the Association through its Executive Board shall be used exclusively for the purposes of promoting the health, safety, and welfare of the residents and guests of the Common Interest Community and the members of the Association. The assessments may also be used to provide insurance of various types, and in such amounts deemed appropriate by the Executive Board. Also, a portion of the assessments may be used to provide a reserve fund for the replacement, repair, and maintenance of Common Elements which must be replaced on a periodic basis.

Section 5.04 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment may be made on an annual basis against all Units and shall be 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. Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Executive Board. Common Expense Assessments will begin on the first day of the month in which conveyance of the first Unit to a Unit 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 Unit Owners from their obligation to pay.

Section 5.05 Effect of Non-Payment of Assessments. Any assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, as established by the Executive Board, shall bear interest at the rate of four percentage points above the prime rate, on a per annum basis from the due date, and the Association may assess a reasonable late charge thereon as determined by the Executive Board. Failure to make payment within sixty days of the due date thereof shall cause the total amount of such Unit Owner's Common Expense 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 Unit Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Unit Owner's Unit. An action at law or in equity by the Association against a Unit Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. 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 assessment, charges or fees, 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, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment lien, and a Unit Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Unit Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 5.06 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Unit except (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien Security Interest on the Unit (except as allowed by the Act with regard to the limited lien priority allowed to the Association); 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 materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under State or Federal law. Sale or transfer of any Unit shall not affect the lien for said assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall

only extinguish the lien of assessment charges as provided by applicable State 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 from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 5.07 Working Fund. The Association or Declarant may require each Unit Owner to make a non-refundable payment to the Association in an amount equal to one-fourth (1/4th) of the annual Common Expense Assessment 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 first sale 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.

Section 5.08 Common Expenses Attributable to Fewer than all Units. (a) Any Common Expense associated with the maintenance, repair or replacement of components and elements attached to or a part of a Unit or Units or to a Unit or Units to which a Limited Common Element is assigned may be assessed against that or those Units. If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element may be assessed equally among the Units to which it is assigned.

(b) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.

(c) An assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense liabilities.

(d) If a Common Expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against that Unit Owner and their Unit.

(e) Fees, charges, taxes, impositions, late charges, fines, collection costs and interest charged against a Unit Owner pursuant to this Section are enforceable as Common Expense assessments.

ARTICLE 6 - RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Subject to the Development Rights and Special Declarant Rights reserved by the Declarant, the following use restrictions apply to all Units and to the Common Elements:

Section 6.01 Use/Occupancy. No Unit within the Common Interest Community shall be used for any purpose other than as allowed by the local zoning codes; provided, however, that uses described as "day care" or "child care" or "group homes" or other similar uses or facilities (licensed or unlicensed) are expressly prohibited. No Improvements located upon a Unit shall be occupied in any manner at any time prior to being fully completed in accordance with approved plans, nor shall any Improvements, when completed, be in any manner occupied until there is compliance with all requirements, conditions, covenants, and restrictions herein set forth. Units shall not be used for any purpose other than a residential dwelling and ancillary uses as may be allowed pursuant to applicable local zoning ordinances and regulations.

Section 6.02 Leasing and Occupancy. Any Unit Owner shall have the right to lease or allow occupancy of a the Improvements on a Unit upon such terms and conditions as the Unit Owner may deem advisable, subject to the following: Short term occupancies and rentals (of less than 30 days) are prohibited. Any lease or rental agreement (of over 30 days) shall be in writing and shall provide that the lease or rental agreement is subject to the terms of this Declaration, the Bylaws of the Association, the Articles of Incorporation and the rules and regulations of the Association. All leases and rental agreements of Units shall state that the failure of the tenant, renter or guest to comply with the terms of the Declaration or Bylaws of the Association, Articles of Incorporation or the rules and regulations of the Association shall constitute a default of the lease or rental agreement and of this Declaration and such default shall be enforceable by either the Association or the landlord, or by both of them. All occupants of a Unit shall be subject to the right of the Association to remove and/or evict the occupant for failure of the occupant to comply with the terms of the Declaration, the Bylaws of the Association, the Articles of Incorporation or the rules and regulations of the Association. Except as restricted in this Declaration, and such Rules and Regulations as the Association may promulgate, the right to lease or allow occupancy of a Unit shall not be restricted.

Section 6.03 Units to be Maintained. Unit Owners are responsible for the maintenance, repair and replacement of the properties located within their Unit boundaries, except as provided in this Declaration. Further, each Unit at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall 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 hereunder.

Section 6.04 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.

Section 6.05 Restrictions on Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except a reasonable number of dogs, cats, or other usual and common household pets, may be permitted in a Unit. Horses shall be permitted on such portions of the Properties as designated by a recorded easement or specified by Board resolution. Pets shall not be permitted to roam free. All dogs and cats whenever outside a Unit shall be confined on a leash which is securely tied or held by a responsible person. Any pet which may, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board. If the Owner fails to honor such a request, the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. The Board also shall have the authority to restrict or prohibit the keeping of breeds of dogs with a known history of dangerous or vicious behavior.

Section 6.06 Nuisances. No Nuisance shall be permitted within the Common Interest Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Unit Owner or which may unreasonably interfere with the peaceful enjoyment or possession of the proper use of a Unit or Common Element, or any portion of the Common Interest Community by Unit Owners. Further, no immoral, improper, offensive or unlawful use shall be permitted within the Common Interest Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Common Interest Community or a portion thereof shall be observed. As used herein, the term nuisance shall not include any activities of Declarant or its assignees which are reasonably necessary to the development and construction of Improvements within this Common Interest Community; provided, however, that such activities shall not reasonably interfere with any Unit Owner's use and enjoyment of their Unit, or any Unit Owner's ingress and egress to or from their Unit and a public way.

Section 6.07 Vehicular Parking, Storage, and Repairs. (a) The following vehicles may not be parked or stored within the Common Interest Community, unless such parking or storage is within a garage of the Improvements on a Unit, or unless authorized in writing by the Executive Board of the Association: oversized vehicles, trailers, camping trailers, boat trailers, hauling trailers, boats or accessories thereto, trucks, self contained motorized recreational vehicles, or other oversized types of vehicles or equipment as prohibited by rule or regulation. Any such oversized vehicle may be parked as a temporary expedience for loading, delivery of goods or services, or emergency. This restriction shall not apply to trucks or other commercial vehicles temporarily located within the Common Interest Community which are necessary for construction or for the maintenance of the Common Elements, Units, or any Improvement located thereon.

(b) No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked within the Common Interest Community unless parked or stored within a garage. An "abandoned or inoperable vehicle" shall be defined by Colorado statutes governing inoperable or abandoned vehicles on public streets, or as defined by rule or regulation adopted by the Executive Board of the Association; provided, however, that otherwise permitted vehicles parked by Unit Owners while on vacation or during a period of illness shall not constitute abandoned or inoperable vehicles. In the event that the Association shall determine that a vehicle is an abandoned or inoperable vehicle, then a written notice describing said vehicle shall be personally delivered to the Unit Owner thereof or shall be conspicuously placed upon the vehicle. If the abandoned or inoperable vehicle is not removed within 72 hours after providing such notice and such vehicle is located on the Common Elements, the Association shall have the right to remove the vehicle, and the owner thereof shall be solely responsible for all towing and storage charges.

(c) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer or boat, may be performed or conducted outside of the garage of a Unit.

Section 6.08 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 Design Review Committee.

Section 6.09 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.

Section 6.10 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.

Section 6.11 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure.

Section 6.12 Utilities. All electric, television, radio and telephone line installations and connections shall be placed underground. All types of refrigerating, cooling or heating apparatus installed on the exterior of a home must be approved in advance by the Design Review Committee.

Section 6.13 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 Design Review Committee.

Section 6.14 Solar Plane Restriction. It is hereby prohibited to permit any part of any object, natural or manmade, to project up through a plane extending southerly over each individual Unit at an angle of 26.5 degrees with respect to the horizontal (a pitch of one foot vertical for each two feet horizontal) which plane starts as a horizontal line which is co-directional with a line parallel to and five (5) feet south of the northerly property line of said Unit and passes through a point ten (10) feet above the midpoint of such parallel line. This restriction and prohibition shall not apply to chimneys or first-built structures built by the Declarant or the replacement of such structures should they be destroyed by fire, wind, or otherwise. By this covenant, the landowners within this common interest community recognize the desirability of creating and maintaining the common plan to assure access to direct sunlight on all parcels for public health and aesthetic purposes, specifically including access to sunlight for solar energy utilization.

Section 6.15 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.

Section 6.16 No Restrictions on Mortgaging of a Unit. There are no restrictions on the right of the Unit Owners to mortgage or otherwise encumber their Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

Section 6.17 Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, rules and regulations concerning and governing the Common Interest Community or any portion thereof may be adopted, amended, or repealed, from time to time, by the Executive Board, or its successors and assigns. The Executive Board may establish and enforce penalties for the infraction thereof.

ARTICLE 7 - DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 7.01 Development Rights and Special Declarant Rights. The Declarant reserves, through the maximum period of time allowed by law, but in all events, not less than seven (7) years after the recording of this Declaration, the following Development Rights and Special Declarant Rights:

- (a) the right to relocate boundaries between adjoining Units, enlarge Units, enlarge the Common Elements, reduce or diminish the size of Units, reduce or diminish the size of areas of the Common Elements, subdivide Units.

or complete or make improvements, as the same may be indicated on maps or plats filed of record or filed with the Declaration;

- (b) the right to create or construct additional Units, Common Elements and Limited Common Elements (the "Additional Improvements"), to subdivide Units and to convert Units into Common Elements;
- (c) the right to exercise any development rights reserved or allowed in the Act;
- (d) the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary;
- (e) the right to make the Common Interest Community subject to a master association and master declaration;
- (f) the right to merge or consolidate the Common Interest Community with another Common Interest Community;
- (g) the right to appoint or remove any officer of the Association or any Director during the Declarant Control period;
- (h) the right to add Units and to subject all or any part of the property described in Exhibit C attached hereto and hereby incorporated by reference and additional unspecified real estate to the provisions of this Declaration upon the substantial completion of improvements on any portion of that property;
- (i) the right to amend the Declaration in connection with the exercise of any development right; and
- (j) the right to amend the maps or plat in connection with the exercise of any development right.

Section 7.02 Additional Reserved Rights. In addition to the rights set forth above, Declarant also reserves the following additional rights (the "Additional Reserved Rights"):

- (a) Sales. The right to maintain sales offices, management offices and models in Units or on the Common Elements.
- (b) Signs. The right to maintain signs and advertising on the Common Interest Community to advertise the Common Interest Community or other communities developed or managed by, or affiliated with the Declarant.
- (c) 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.
- (d) 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.
- (e) 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 Security Interest. Declarant and its assignees have such an easement through the Common Elements as may be reasonably necessary for exercising reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the real estate.
- (f) Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration.

Section 7.03 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 Arapahoe 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 holders of Security Interest.

Section 7.04 No Further Authorizations Needed. The consent of Unit Owners or holders of Security Interests shall not be required for exercise of any reserved rights, and Declarant or its 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 or to expand the Common Interest Community beyond the number of Units initially submitted.

Section 7.05 Compliance With Act. If Declarant or its assignee elects to exercise any reserved rights, that party shall comply with the Act.

Section 7.06 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:

- (i) vest in each existing Unit Owner the reallocated Allocated Interests appurtenant to their Unit; and
- (ii) vest in each existing Security Interest a perfected security interest in the re-allocated Allocated Interests appurtenant to the encumbered Unit.

Further, 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 Common Interest Community as expanded and to any Additional Improvements, and the same shall be added to and become a part of the Common Interest Community for all purposes. All conveyances of Units after such amendment is recorded shall be effective to transfer rights in all Common Elements, whether or not reference is made to any Amendment of the Declaration map. Reference to the Declaration and map in any instrument shall be deemed to include all Amendments to the Declaration, and the map without specific reference thereto.

Section 7.07 Maximum Number of Units. The maximum number of Units shall not exceed one hundred (100) in total, or such higher maximum number of Units for the properties subject to this Declaration, as allowed by any governmental entity having jurisdiction.

Section 7.08 Construction. Subsequent to the initial real estate and improvements made subject to this Declaration, any additional buildings, structures and types of improvements to be placed on the real estate or any part thereof may be of such quality and type as the persons developing the same may determine, and those improvements need not be of the same quality or type as the Improvements previously constructed on the real estate, nor of the same size, style or configuration. The improvements may be located anywhere in the Common Elements of the Common Interest Community, the same being reserved for future development, or on the additional real estate as may be added or as shown on the map.

Section 7.09 Termination of Reserved Rights. The rights reserved to Declarant, for itself, its successors and assigns, shall expire as set forth above or in the Act, unless (i) 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 rights by Declarant, (ii) extended as allowed by law or, (iii) terminated by written instrument executed by the Declarant, recorded in the records of the Clerk and Recorder of Arapahoe County, Colorado.

Section 7.10 Additions by Others. Additions of Units to the Common Interest Community may be made by others than the Declarant, or its successors and assigns or Owners, upon approval of the Association pursuant to a vote of a majority of a quorum of its members and upon approval of two-thirds of the Eligible Holders of first lien Security Interests. Such approval by the members and Eligible Holders of first lien Security Interests shall be evidenced by a certified copy of such resolution of approval and a supplement or amendment to this Declaration, both recorded in records of the Arapahoe County Clerk and Recorder.

ARTICLE 8 - ARCHITECTURAL APPROVAL/DESIGN REVIEW

Section 8.01 Required Approvals and Design Criteria. No Improvement to the exterior of a Unit or any landscaping change for the landscaping initially installed or any structure or any attachment to the exterior of the buildings shall be constructed, erected, placed or installed within the Common Interest Community, including but not limited to a change in painting and/or staining of exterior siding, unless complete plans and specifications thereto (said plans and specifications to show exterior design, height, materials, color, location of the structure or addition to the structure, plotted horizontally and vertically, location and size of driveways, general plan of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the committee and) shall have been first submitted to and approved in writing by the Design Review Committee. However, the Design Review Committee shall not refuse to permit a Unit Owner to make reasonable modifications to their Unit or to any Limited Common Element which the Unit Owner has the right to use, if such modifications are necessary under the Federal Fair Housing Act (as hereto fore and hereafter amended) to afford one or more Persons With a Disability residing at or intending to reside at such Unit the full enjoyment of such Unit and/or the Limited Common Elements appurtenant thereto. The Design Review Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to Units or Common Elements, and within this Common Interest Community shall comply with the requirements set forth herein. The approval or consent of the Design Review Committee on matters properly coming before it shall not be unreasonably

withheld, and actions taken shall not be arbitrary or capricious; decisions shall be conclusive and binding on all interested parties. Approval shall be based upon, but not limited to, conformity and harmony of exterior appearance of structures with neighboring structures, effective location and use of Improvements on nearby Units, preservation of aesthetic beauty, and conformity with the specifications and purposes generally set out in this Declaration. Upon its review of such plans, specifications and submittals, the Design Review Committee may require that the applicant(s) reimburse the committee for actual expense incurred by it in its review and approval process.

Section 8.02 Establishment of the Design Review Committee. The Design Review Committee (the "Design Review Committee"), shall consist of three (3) members. Until such time as Declarant has sold all the units, or until seven (7) years from the date this Declaration is recorded (whichever comes first), Declarant shall appoint all members of the Design Review Committee. Declarant may remove any appointee at any time upon written notice to such appointee. Real estate owned by the Declarant (including both Units and Common Elements) and real estate owned by successors or assignees of Declarant assigned Declarant's exemption hereunder shall be exempt from any control by the Committee. After expiration of Declarant's appointment rights, the Design Review Committee may then be comprised completely of Unit Owners without regard to special qualifications and the members shall then be appointed by the Association. Until that date, Declarant, in its sole discretion, may at any time grant the power of appointment of the members of the Design Review Committee, and the chairman thereof, to any entity succeeding to substantially all of the assets of Declarant, or to the Association. Notwithstanding the above, appointments shall be for staggered terms of a years different in termination so as to provide reasonable continuity to the design review process.

Section 8.03 Reply and Communication. The Design Review Committee shall reply to all submittal of plans made in accordance herewith in writing within sixty (60) days after receipt. Where prior written consent of approval of the Design Review Committee is required under the Declaration with respect to the making of an Improvement, such Improvements shall be conclusively deemed to have been made in compliance with this Declaration unless a notice of intention to commence legal action challenging and objection thereto is issued by the Design Review Committee within one hundred and twenty (120) days after the committee becomes aware of the completion of such Improvement. All communications and submittals shall be addressed to the Design Review Committee at such address as the chairman of the Design Review Committee shall hereafter designate in writing addressed and mailed to the Unit Owners.

Section 8.04 Variances. The Design Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in these covenants or in a development guide. Such variances or adjustments shall be granted only when the granting thereof shall not be materially detrimental or injurious to the other Units or Common Elements nor deviate substantially from the general intent and purpose of this Declaration. In the event that the request for a variance is disapproved by the Design Review Committee, the applicant shall have the right of appeal to the Executive Board of the Association.

Section 8.05 Waivers. The approval or consent of the Design Review Committee, or appointed representative thereof, to any application for design approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 8.06 Liability. The Design Review Committee and the members thereof, as well as any representative of the committee designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or to any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants.

Section 8.07 Records. The Design Review Committee shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto. Such records shall be open and available for inspection by any interested party during reasonable hours of the business day.

Section 8.08 Enforcement. Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Design Review Committee and any interested Unit Owner shall have the right but not the obligation to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this section, the Design Review Committee shall be entitled to recover its costs and reasonable attorneys fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure of the Design Review Committee 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.

ARTICLE 9 - INSURANCE/CONDEMNATION

Section 9.01 Insurance Carried. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth herein and as set forth in the Act, which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. Commencing not later than the time of the first conveyance of a Unit to a person other than a Declarant, the Association shall maintain, to the extent reasonably available, policies with the following terms or provisions:

(a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Unit Owner and shall provide that such policies may not be canceled or modified without at least thirty (30) days prior written notice to all of the Unit Owners, holders of first lien Security Interests and the Association.

(b) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all holders of first lien Security Interests at least ten (10) days prior to expiration of the then current policies.

(c) All liability insurance shall be carried in blanket form naming the Association, the Board, the manager or managing agent, if any, the officers of the Association, the Declarant, holders of first lien Security Interests, their successors and assigns and Unit Owners as insureds.

(d) Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions hereof, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the Units and the Common Elements, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent (100%) of the full insurable replacement cost.

(e) Unit Owners may carry and are advised to carry insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by Unit Owners and provided, further, that the policies of insurance carried by the Association shall be primary, even if a Unit Owner has other insurance that covers the same loss or losses as covered by policies of the Association. In this regard, Declarant discloses that the Association's insurance coverage, as specified hereunder and under the Act, does not obviate the need for Unit Owners to obtain insurance for their own benefit.

(f) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Unit Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Unit Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Unit Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Section 9.02 Hazard Insurance on the Units and Common Elements. The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty, to the Common Elements and any other property of the Association. The Executive Board of the Association may determine that the Association shall also provide hazard insurance to the units. In the event the Association elects to provide such additional insurance, the costs thereof shall be a Common Expense of the Association if ratified by the members pursuant to the budget process set forth in the Act. The insurance obtained on the Units is not required to include improvements and betterments installed by Unit Owners. If coverage purchased by the Association includes improvements and betterments installed by Unit Owners, the cost thereof shall be assessed to each Unit in proportion to risk. All policies shall contain a standard non-contributory mortgage clause in favor of each holder of first lien Security Interests, and their successors and assigns, which shall provide that the loss, if any thereunder, shall be payable to the Association for the use and benefit of such holders of first lien Security Interests, and their successors and assigns, as their interests may appear of record in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado. If obtainable, the Association shall also obtain the following and any additional endorsements deemed advisable by the Executive Board: (a) an Inflation guard endorsement. (h) a Construction Code

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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 (0) any special PUD endorsements.

Section 9.03 Liability Insurance. The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering all of the Units and 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. All liability insurance shall name the Association as the insured. If there are steam boilers in operation on the Common Interest Community, or if the Community has central heating or cooling, there must be in force boiler explosion and machinery coverage insurance providing for not less than Two Million Dollars (\$2,000,000.00) per accident, per location.

Section 9.04 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, 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 clause "officers, directors, trustees and employees" shall not include any officer, director, agent or employee of Declarant or any officer, director, agent or employee of any independent, professional manager or managing agent heretofore or hereafter employed by the Association. 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, directors, trustees and employees.

Section 9.05 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 9.06 Directors' and Officers' Personal Liability Insurance. The Association may 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.

Section 9.07 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 9.08 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 9.09 Managing Agent Insurance. The manager or managing agent, if any, shall be insured to the same extent as the Association, as herein provided, and as provided in the Act, for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

Section 9.10 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 9.11 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 9.12 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 holder of a first lien Security Interest. The Association shall hold any insurance proceeds in trust for the Association, Unit Owners and holders of first lien Security Interests 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 holders of first lien Security

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Interests 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.

Section 9.13 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 9.14 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 - SPECIAL RIGHTS OF HOLDERS OF FIRST LIEN SECURITY INTERESTS

Section 10.01 General Provisions. The provisions of this article are for the benefit of holders, insurers, or guarantors of holders of first lien Security Interests recorded within the Common Interest Community. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the Articles and Bylaws of the Association. A holder, insurer or guarantor of a first lien Security Interest who has delivered a written request to the Association containing its name, address, the legal description and the address of the Unit upon which it holds a Security Interest, shall be considered an "Eligible Holder." Eligible insurers and guarantors of a first lien Security Interest shall have the same rights as Eligible Holder.

Section 10.02 Special Rights. Eligible Holders shall be entitled to: (a) timely written notice from the Association of any default by a mortgagor of a Unit in the performance of the mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association, including any annual audited financial statement; (d) receive written notice of all meetings of the Executive Board or Members of the Association; (e) designate a representative to attend any such meetings; (f) written notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; (g) written notice of abandonment or termination of the Association of the plan contemplated under this Declaration; (h) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration, the Articles of Incorporation, or the Bylaws; (i) thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of the Association or the Common Elements, when professional management had been required previously under the legal documents for the Common Interest Community or by an Eligible Holder; and (j) immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Common Elements or to the Unit on which the Eligible Holder holds a Security Interest, if the cost of reconstruction exceeds Twenty Thousand Dollars (\$20,000) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements or any Units.

Section 10.03 Special Approvals. Unless at least sixty-seven percent (67%) of the Eligible Holders of first lien Security Interests (based on one vote for each mortgage owned) of Units in the Association and requisite Unit Owners have given their written approval, neither the Association nor any Member shall (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or any improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utility easements, drainage easements and water facilities easements or easements for other public purposes consistent with the intended use of such real estate by the Association shall not be deemed within the meaning of this provision); (b) change the method of determining the obligations, Assessments or other charges which may be levied against Members or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards; (c) by act or omission change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to architectural approval of improvement of Units, including the architectural design of the exterior appearance of Units, or the upkeep of the Common Elements; (d) fail to maintain the casualty, fire and extended coverage insurance as elsewhere provided in this Declaration; (e) use hazard insurance proceeds for losses other than the repair, replacement or reconstruction of the improvements which were damaged or destroyed; (f) take action to terminate the legal status of the Common Interest Community after substantial destruction or condemnation occurs; (g) amend any material provision of this Declaration; and (h) establish self-management by the Association when professional

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management has previously been required by the legal documents for the Common Interest Community or by an Eligible Holder. An amendment shall not be deemed material if it is for the purpose of correcting technical errors, or for clarification only. If an Eligible Holder of a first lien Security Interest receives written request for approval of the proposed act, omission, change or amendment by certified or registered mail, with a return receipt requested, and does not deliver or post to the requesting party a negative response within 30 days, it shall be deemed to have approved such request.

Section 10.04 Right to Pay Taxes and Insurance Premiums. Any holder of a first lien Security Interest 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 or any of the Common Elements and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Elements or Units, and the holder of a first lien Security Interest making such payments shall be entitled to immediate reimbursement therefor from the Association.

ARTICLE 11 - GENERAL PROVISIONS

Section 11.01 Enforcement. The Association or a Unit Owner or Unit Owners of any of the Units may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration 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 these 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 on the Common Area 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.

Section 11.02 Compliance with Federal Fair Housing Act. In order to comply with the requirements of the Federal Fair Housing Act (as heretofore and hereafter amended);

(a) The Executive Board may, to the extent permitted by law, make reasonable accommodations in the rules and regulations to the extent such accommodations are necessary under the aforesaid Federal Fair Housing Act or otherwise appropriate to afford a Person With A Disability equal opportunity to use and enjoy a Unit, the Limited Common Elements appurtenant thereto, and/or the Common Elements, which accommodations may include waivers and modifications (of such rules and regulations) that are applicable only to a particular Person With a Disability or to a particular category of Persons With A Disability. Unless required by law, (i) the Executive Board need not follow procedural requirements in making such waivers and modifications, and (ii) such waivers and modifications need not be approved by, or be subjected to disapproval by, the members of the Association.

(b) No rule or regulation of the Common Interest Community shall be interpreted or enforced in such a way as to make unavailable or deny a Unit to any person, or to discriminate against any person in the provision of services or facilities in connection with the sale or rental of a Unit to such person, because of the familial status of such person, as the term "familial status" is defined under the aforesaid Federal Fair Housing Act.

Section 11.03 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 11.04 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 11.05 Amendment of Declaration or Plat by Declarant. Until the first Unit has been conveyed by Declarant by deed recorded in the office of the County Clerk and Recorder of Arapahoe County, Colorado, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration or Exhibits of this Declaration, or the Plat may be amended by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment. Thereafter if Declarant shall determine that any amendments 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 or for any changes to property not yet part of the Community, then, subject to the following sentence of this Section, Declarant shall have the right and power to make and execute any such amendments without obtaining the approval of any Unit Owners. Each such amendment of this Declaration shall be made, if at all, by Declarant prior to the expiration of seven (7) years from the date this Declaration is recorded. In furtherance of the foregoing, a power coupled with an

interest is hereby reserved and granted to Declarant to make or consent to an amendment under this section on behalf of each Unit Owner and holder of a Security Interest. Each deed, Security Interest, 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 Declarant to make, execute and record an amendment under this Section.

Section 11.06 Amendment of Declaration by Unit Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of at least 67% of the votes in the Association and with the written consent of the Association. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Arapahoe County, State of Colorado, of a certificate, setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association. Section 11.07 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 a holder of a first lien Security Interest, or 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 Jefferson County, State of Colorado, of a certificate, setting forth the amendment or repeal in full.

Section 11.08 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 seven (7) years after the recording of this Declaration, or upon conveyance of 100% of the Units to Unit Owners, whichever occurs first.

Section 11.09 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 11.10 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 11.11 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.

Section 11.12 Right to Notice and Comment. Pursuant to C.R.S. § 38-33.3-205(1)(o), before the Board amends the Bylaws or the Rules and Regulations governing the Common Interest Community 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.

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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized agents this 12th day of March, 1999.

THE SANCTUARY ON THE PARK, LLC,
a Colorado Limited Liability Company

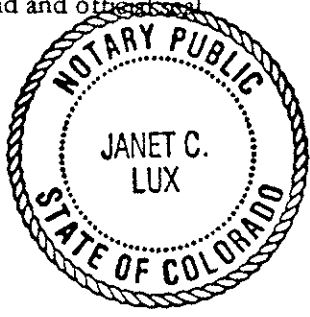
By: Edwin H. Arnold

Its: Manager

STATE OF COLORADO)
COUNTY OF Denver) ss.

The foregoing Declaration was acknowledged before me by Edwin H. Arnold
as Manager of The Sanctuary on the Park, LLC, on this 12th day of March, 1999.

Witness my hand and official seal



My Commission Expires: 2-2-2001
Janet C. Lux
Notary Public

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EXHIBIT A

DESCRIPTION OF REAL ESTATE

The initial property to be subjected to this Declaration is described as follows:

Lots 23, 24, 32 and 53, Tracts A, B, C, E, F, G, H, I, K, L, M, O, P and Q,
The Greens at Cherry Creek Filing No. 2, Arapahoe County, State of Colorado

The Declarant has reserved the right to add or annex real property to the Community pursuant to this Declaration.

Once real estate is subject to this Declaration, that Real Estate is subject to the terms, conditions, obligations, and provisions of the following documents and exceptions to title:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortages in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
6. Unpatented mining claims: reservations or exceptions in Patents or in Acts authorizing the issuance thereof, water rights, claims or title to water; NOTE: Item no. 6 of the above will not appear on the Lender's Policy (if any) to be issued hereunder.
7. Taxes and assessments which are a lien or are now due and payable; any tax, special assessment, charge or lien imposed for or by any special taxing district or for water or sewer service; any unredeemed tax sales.
8. UTILITY EASEMENT AS GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO IN INSTRUMENT RECORDED JANUARY 13, 1978 IN BOOK 2711 AT PAGE 291.
9. RESERVATION BY UNITED STATES OF AMERICA FOR FLOOD CONTROL TOGETHER WITH TERMS, CONDITIONS AND PROVISIONS THEREOF AS SET FORTH IN DEED RECORDED DECEMBER a, 1959 IN 800K 1165 AT PAGE 459.
10. EASEMENTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS ON THE RECORDED PLAT.
11. TERMS, CONDITIONS AND PROVISIONS OF SUBDIVISION IMPROVEMENT AGREEMENT RECORDED JULY 6, 1995 IN BOOK 8014 AT PAGE 10 AND RE-RECORDED NOVEMBER 20, 1995 UNDER RECEPTION NO. A5122978, AND RECORDED JULY 25, 1997 UNDER RECEPTION NO. A7090753.
12. ANY TAX, LIEN, FEE, OR ASSESSMENT BY REASON OF INCLUSION OF SUBJECT PROPERTY IN THE ARAPAHOE WATER AND SANITATION DISTRICT, AS EVIDENCED BY INSTRUMENT RECORDED FEBRUARY 26, 1996, UNDER RECEPTION NO. A6022392.
13. TERMS, CONDITIONS AND PROVISIONS OF INCLUSION AGREEMENT RECORDED FEBRUARY 26, 1996 UNDER RECEPTION NO. A6022393.

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EXHIBIT B

PROPERTIES WHICH MAY BE ADDED TO THE DECLARATION

Lots 1 through 53 inclusive, The Greens at Cherry Creek, Filing No. 2, County of Arapahoe, State of Colorado.