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7/16/2002 9:58:13
PG: 0001-028
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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
SOUTHBRIDGE 7 HOMEOWNERS ASSOCIATION, INC.**

2/28

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AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
SOUTHBRIDGE 7 HOMEOWNERS ASSOCIATION, INC.

This Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Southbridge 7 Homeowners Association, Inc. ("Declaration") is made and entered into this 24th day of June, 2002, by Southbridge 7 Homeowners Association, Inc., a Colorado non-profit corporation, hereinafter referred to as the "Association."

WITNESSETH:

WHEREAS, on July 31, 1984 U.S. Home Corporation, a Delaware corporation, submitted the real property described on Exhibit A to that certain Declaration of Covenants, Conditions and Restrictions of Southbridge 7 recorded in the real property records of Arapahoe County, Colorado at Reception No. 2436302, as amended ("Original Declaration") to its covenants, conditions and restrictions;

WHEREAS, the Association and the Owners desire to amend and restate the Original Declaration for the purpose of protecting the value and desirability of the said property;

WHEREAS, pursuant to the requirements set forth in Article XI, Section 8 of the Original Declaration, at least fifty-one percent (51%) of the Members subject to the Original Declaration desire to amend and restate the Original Declaration.

NOW THEREFORE, the Original Declaration is replaced and superceded by the covenants, servitudes, easements and restrictions set forth below:

ARTICLE I

DEFINITIONS

Section 1. "Act" shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 et. seq., as it may be amended, and as applicable to communities created prior to July 1, 1992.

Section 2. "Architectural Control Committee" shall mean and refer to the committee appointed by the Board of Directors of the Association, as more fully provided in Article V hereof.

Section 3. "Association" shall mean and refer to **Southbridge 7 Homeowners Association, Inc.**, a Colorado non-profit corporation, its successors and assigns. The Association shall act by and through its Board of Directors and officers.

Section 4. "Common Area" shall mean all property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

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Section 5 "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions of Southbridge 7 Homeowners Association, Inc., as the same may be amended from time to time.

Section 6. "Eligible Holder" shall mean 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 Lot upon which it holds a security interest.

Section 7. "First Mortgage" shall mean and refer to any unpaid and outstanding, mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of Arapahoe County Colorado, having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 8. "First Mortgagee" shall mean and refer to any person named as a mortgagee or beneficiary under any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

Section 9. "Lot" shall mean and refer to any separate numbered lot or plot of land shown upon any recorded subdivision map of the Properties or any portion thereof, as the same may be amended from time to time, with the exception of the Common Area and any public streets, but together with all appurtenances and improvements now or hereafter thereon.

Section 10. "Member" shall mean and refer to each Owner of a Lot that is subject to assessment hereunder; membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Properties" shall mean and refer to that certain real property described on Exhibit A attached hereto and incorporated herein by this reference, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREA

Section 1. Owners' Easements of Enjoyment. Subject to the provisions of Section 2 of this Article, every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Extent of Owners' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its Amended and Restated Articles of Incorporation ("Articles") and Amended and Restated Bylaws ("Bylaws"), to

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borrow money for the purpose of improving the Common Area and, with written consent of two-thirds (2/3) of the Members present, in person or by proxy, and voting at a duly called meeting for such purpose, to mortgage said property as security for any such loan; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure; and

(c) The right of the Association to promulgate and publish rules and regulations which each Member shall strictly comply with, including, but not limited to, the right of the Association to establish reasonable charges and/or admission fees for the use of recreational facilities located on the Common Area, if any; and

(d) The right of the Association, as provided in its Articles and Bylaws, to suspend the voting rights and the right to the use of recreation facilities, if any, within the Common Area, of a Member for any period during which any assessment against his Lot remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of its published rules and regulations; and

(e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless first approved in writing by two-thirds (2/3) of the votes of the Members entitled to vote hereunder, and unless written notice of the proposed agreement and action there under is sent to every Member at least thirty (30) days in advance of any action taken; and provided, further, that any such dedication or transfer must be accepted by the municipality within which such dedicated or transferred property is located and by any other governmental agency or entity to which such dedication or transfer is to be made. Notwithstanding the foregoing, the granting of permits, licenses and easements for public utilities, roads and/or for other purposes reasonably necessary or useful for the proper maintenance or operation of the Properties shall not be deemed a transfer within the meaning of this Subsection (e); and

(f) The right of the Association, through its Board of Directors, to enter into, make, perform or enforce: contracts, leases, agreements, licenses, easements and/or rights-of-way, for the use by Owners, other persons, their family members, guests and invitees, of real property, and any facilities or improvements thereto and thereon, for pedestrian and vehicular access, ingress and egress to and from the Properties, or any portion thereof, for vehicular parking, or for recreational use and enjoyment; and/or contracts, leases, licenses or other agreements for cable or satellite television service to the Properties, or any portion thereof. Any of such contracts, leases, licenses, agreements, easements and/or rights-of-way, as provided for in this subsection (f), shall be upon such terms and conditions as may be agreed to from time to time by the Board of Directors of the Association, which may include provisions by which the Association covenants and agrees that it shall pay part or all of the costs and expenses of maintaining and repairing such real property, and the facilities and improvements thereto and thereon, providing such cable or satellite television service, or other amounts which the Board determines are reasonably necessary to secure any such contracts, leases, licenses, agreements, easements and/or rights-of-way, and any such costs shall be treated by the Association as common expenses pursuant to Article IV hereof.

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

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subject to the provisions of Section 2 of this Article.

Section 3. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on his Lot, subject to the provisions of Section 2 of this Article.

Section 4. Payment of Taxes or Insurance by Mortgagees. First Mortgagees of Lots shall have the right, jointly or singly, to pay taxes or other charges or assessments which are in default and which may or have become a lien against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Area, or the Lot which secures said First Mortgage if the policy therefor is held by the Association, and any First Mortgagees making any such payment shall be owed immediate reimbursement therefor from the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment hereunder shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Voting. The voting membership of the Association shall be all Owners and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any such Lot.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments and (3) reconstruction assessments, such assessments to be established and collected as hereinafter provided. The annual, special and reconstruction assessments, together with interest, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The lien may be enforced by foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. The Board of Directors or managing agent of the Association may prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. Such a notice shall be signed by one of the Board of Directors or by the managing agent of the Association and may be recorded in the office of the Clerk and Recorder of the County of Arapahoe, Colorado. The lien for each unpaid assessment attaches to each Lot at the beginning of each assessment period and shall continue to be a lien against such Lot until paid. The costs and expenses for filing any notice of

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lien shall be added to the assessment for the Lot against which it is filed and collected as part and parcel thereof. Each assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them. The Association's lien on a Lot for assessment shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said assessment lien.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, and for all of those purposes and activities which may be required of the Association or which the Association may be empowered to pursue pursuant to this Declaration, the Articles of Incorporation or Bylaws of the Association, including without limitation the improvement and maintenance of the Common Area.

Section 3. Annual Assessment. Annual assessments may be made on an annual basis against all Lots 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. The budget shall be submitted to the Lot Owners for ratification pursuant to Section 303(4) of the Act and as set forth in the Bylaws, as the Bylaws may be amended from time to time. The budget may be vetoed by votes of Owners representing a majority of the votes in the Association. Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Board of Directors. The omission or failure of the Board of Directors to levy the assessment for any period shall not be deemed a waiver, modification or a release of the Lot Owners from their obligation to pay.

Section 4. Special Assessments. In addition to the annual and reconstruction assessments authorized in this Article IV, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for the funding of any operating deficit incurred by the Association. Any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, and shall be set equally against each Lot.

Section 5. Reconstruction Assessments. In addition to the annual and special assessments authorized in this Article IV, the Association may levy, in any assessment year during which insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed structures or improvements on the Common Area, which are covered by a policy of property insurance carried by the Association, reconstruction assessments for the purpose of repair or reconstruction of such damaged or destroyed structures or improvements. All such reconstruction assessments shall be equal to the amount by which the cost of repair or reconstruction of such structure(s) or improvements exceeds the sum of the insurance proceeds awarded for the damage or destruction thereof and shall be set equally against each Lot. Such reconstruction assessments shall be due and payable as provided by resolution of the Board of Directors, but not sooner than thirty (30) days after written notice hereof; provided, however, that, in appropriate circumstances, the Association may proceed directly against any

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Owner pursuant to Article VIII, Section 5 hereof for any such amount.

Section 6. Rate of Assessment. Annual, special and reconstruction assessments shall be fixed at a uniform rate for all Lots sufficient to meet the expected needs of the Association.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date thereof shall bear interest from the due date at such rate as may be set from time to time by the Association, and the Association may assess a monthly late charge thereon. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and in the event a judgment is obtained, such judgment shall include interest on the assessment and a reasonable attorney's fee to be fixed by the court, together with the costs of the action, and may include late charges, as above provided. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien of the Association under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien security interest on the Lot (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 Lot. This Section does not affect the priority of mechanics' or material men'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 Lot shall not affect the lien for said assessments or charges except that sale or transfer of any Lot 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 Lot from continuing liability for any Assessment charges thereafter becoming due, nor from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Composition of Committee. The Architectural Control Committee shall consist of three (3) or more persons appointed by the Board of Directors of the Association. The power to "appoint," as provided herein, shall include without limitation the power to: initially constitute the membership of the Architectural Control Committee; appoint member(s) to the Architectural Control Committee on the occurrence of any vacancy therein, for whatever reason; remove any member of the Architectural Control Committee, with or without cause, at any time, and appoint the successor thereof; and each such appointment may be made for such term(s) of office, subject to the aforesaid power of removal, as may be set from time to time in the discretion of the Association.

Section 2. Review by Committee - Guidelines.

No structure or any attachment to an existing structure, whether a residence, any

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building, a tennis court, a swimming pool, fences, walls, canopies, awnings, roofs, exterior lighting facilities, athletic facility, or other similar improvements or attachments, shall be constructed, erected, placed or installed upon the Properties, no alteration of the exterior of a residence or other structure shall be made, and no change in the final grade, nor the installation of or any change in any landscaping, shall be performed, unless complete plans and specifications therefor (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) shall have been first submitted to and approved in writing by the Architectural Control Committee. It is recommended that homeowners informally discuss with the Architectural Control Committee any improvements before incurring any major expense.

Exterior paint colors are to harmonize with the surrounding Properties. Colors are to be muted in tone and blend in with the surrounding Properties. The Architectural Control Committee must approve all exterior paint colors, whether the Property is being repainted in the same or similar colors or the colors are being changed. Should an Owner desire to install siding, the Architectural Control Committee must approve the color and quality of such siding.

The Architectural Control Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to residences, other structures, and property, within the Properties conform to and harmonize with the existing surroundings, residences, landscaping and structures. In its review of such plans, specifications and other materials and information, the Architectural Control Committee may require that the applicant(s) reimburse the Committee for the actual expenses incurred by the Committee in the review and approval process. Such amounts, if any, shall be levied as part of the common expense assessment against the Lot for which the request for Architectural Control Committee approval was made and, as such, shall be subject to the Association's lien for assessments and subject to all other rights of the Association for the collection thereof, as more fully provided in this Declaration.

Section 3. Procedures. The Architectural Control Committee shall approve or disapprove all requests for architectural control approval within forty-five (45) days after the complete submission of all plans, specifications and other materials and information that the Committee may require in conjunction therewith. In the event that the Architectural Control Committee fails to approve or disapprove any request within forty-five (45) days after the complete submission of all plans, specifications, materials and other information with respect thereto, approval shall not be required and this Article shall be deemed to have been fully complied with; provided, however, even if the requirements of this paragraph are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, Bylaws, Articles of Incorporation or rules and regulations of the Association.

Section 4. Vote and Appeal. A majority vote of the Architectural Control Committee is required to approve a request for architectural approval pursuant to this Article, unless the Committee has designated a representative to act for it, in which case the decision of such representative shall control. In the event a representative acting on behalf of the Architectural Control Committee denies a request for architectural approval, the applicant(s) thereof shall have the right to an appeal of such denial to the full Committee, upon a request therefor submitted to the Committee within thirty (30) days after such applicant(s) receive notice of the denial of their architectural application from said representative. In the event an

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application for architectural approval is denied by the Architectural Control Committee, whether pursuant to an original request for approval or on appeal from a decision of a representative of the Committee, the applicant(s) therefor shall have the right of appeal to the Board of Directors of the Association, if a written request for a hearing on an appeal of the same shall be submitted to the Board of Directors of the Association within thirty (30) days after the applicant(s) for such architectural approval receive notice of the Committee's denial of their application.

Section 5. Records. The Architectural Control Committee shall maintain written records of all applications submitted to it and all actions taken by it thereon, and such records shall be available to Members for inspection at reasonable hours of the business day.

Section 6. Liability. The Architectural Control 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 Owner, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within its jurisdiction hereunder.

Section 7. Variance. The Architectural Control Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or Article IX hereof, in order to overcome practical difficulties and prevent unnecessary hardships arising by reason of the application of the conditions and restrictions contained in this Article or Article IX hereof. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood, shall not militate against the general intent and purpose hereof, and shall not be in conflict with any provision of the Littleton Municipal Code or any Uniform Code or amendments thereto which is adopted therein.

Section 8. Waivers. The approval or consent of the Architectural Control Committee, any representative thereof, or the Board of Directors of the Association, to any application for architectural approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the Committee, any representative thereof, or said Board of Directors, as to any application or other matters whatsoever subsequently or additionally submitted for approval or consent hereunder.

Section 9. Enforcement. Any construction, alteration or other work done in violation of this Article, the Declaration, the Bylaws, the design standards, rules and regulations or any applicable zoning regulations shall be deemed to be nonconforming. Upon written request from the Board, a violating Owner shall, at his or her own cost and expense, remove such nonconforming construction, alteration or work. Should the Owner fail to do so, the Board or its designees shall have the right, in addition to other available remedies, to enter the property, remove the violation and restore the property, or obtain a court order compelling the violating Owner to do so.

In addition to the above, the Board shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions or those of the Architectural Control Committee. The Association 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 Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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If any Owner or occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Area in violation of this Article, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction remain on the Common Area without reimbursement to the Owner or occupant for any expense he or she may have incurred in making the change, alteration or construction.

Section 10. Commencement and Completion of Construction. All improvements approved by the Architectural Control Committee hereunder must be commenced within ninety (90) days from the date of approval. If not commenced within such time, then such approval shall be deemed revoked by the Architectural Control Committee, unless the Architectural Control Committee gives a written extension for commencing the work. Additionally, except with written Architectural Control Committee approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner, all work approved by the Architectural Control Committee hereunder shall be completed within six (6) months of commencement.

ARTICLE VI

INSURANCE

Section 1. Insurance on Common Area. The Association shall maintain insurance covering all insurable improvements located or constructed upon the Common Area. The Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as a common expense.

(a) A policy of property insurance covering all insurable improvements located on the Common Area, except for land, foundation, excavation and other matters normally excluded from coverage, in an amount not less than necessary to comply with any co-insurance percentage stipulated in the insurance policy. Further, said policy shall contain a "Replacement Cost Endorsement" providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, and include an "Inflation Guard Endorsement" and an "Agreed Amount Endorsement." The Association may also purchase a "Demolition Endorsement," an "Increased Cost of Construction Endorsement," a "Contingent Liability from Operation of Building Laws Endorsement," a "Vacancy Permit Endorsement" or the equivalent, and/or coverage on personal property owned by the Association including fixtures and building service equipment, furnishings and supplies. Such insurance as maintained by the Association pursuant to this subsection shall afford protection against at least the following:

(1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

(2) such other risks as shall customarily be covered with respect to projects similar in construction, location and use including all perils normally covered by the standard "all risk" endorsement, where such is available.

(b) A comprehensive policy of public liability insurance covering- all of the Common Area, insuring the Association in an amount not less than \$1,000,000.00 covering

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bodily injury, including death to persons, personal injury and property damage liability arising out of a single occurrence. Such coverage shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Area, legal liability arising out of lawsuits related to employment contracts of the Association, and protection against liability for non-owned and hired automobiles; such coverage may also include, if applicable, comprehensive automobile liability insurance, garagekeeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability, workmen's compensation insurance for employees of the Association, and such other risks as shall customarily be required by private institutional mortgage investors with respect to projects similar in construction, location and use.

(c) A policy providing comprehensive fidelity coverage or fidelity bonds, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount consistent with the best business judgment of the Board of Directors, but in no event less than three (3) month's assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two members of the Board of Directors must sign any checks written on the reserve account.

(d) If the Common Area, or any portion thereof, is located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on the Common Area has been made available under the National Flood Insurance Program, then such a policy of flood insurance on the Common Area in an amount at least equal to the lesser of:

(1) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or

(2) one hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

(e) In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including but not limited to personal liability insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association and, if appropriate, coverage for loss or damage resulting from steam boiler equipment or air conditioning equipment accidents in an amount not less than \$100,000.00 per accident per location or such greater amount as may be deemed prudent by the Association based on the nature of the property.

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Section 2. General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies shall contain a standard non-contributory First Mortgagee's clause in favor of each First Mortgagee and a provision that it cannot be cancelled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured and each First Mortgagee, insurer or guarantor of a First Mortgage on a Lot. The Association shall furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including First Mortgagees of Lots, upon request. Any such Owner's policy shall also contain waivers of subrogation. All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Association.

Section 3. Deductibles. The Association shall pay or absorb the deductible amount for any work, repairs or reconstruction for damage to Common Area unless the damage is caused by the negligent or willful act or omission of an Owner, his family, guests, or invitees, in which case the Association shall seek reimbursement of the deductible amount in compliance with and under the terms of the Declaration.

Section 4. Association Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association policy shall be primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Association for the amount of any diminution of insurance proceeds to the Association as a result of policies of insurance of an Owner, and the Association may collect the amount from said Owner in the same manner as any annual assessment. Any such Owner's policy shall also contain waivers of subrogation.

Section 5. Acceptable Insurance Companies. Each hazard insurance policy purchased by the Association must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better, or a financial rating of Class V provided it has a general policy holder's rating of at least A, and is authorized by law to do business in the State of Colorado. The Association shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee or (b) under the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or any Owner from collecting insurance proceeds.

Section 6. Insurance to be Maintained by Owners. Each Owner shall carry blanket all-risk insurance, if reasonably available, or if not reasonably available, fire and extended coverage, on his or her Lot and the structures constructed thereon meeting the same requirements as those set forth in Section 1(a) of this Article for insurance on Common Area. Owners are responsible for property insurance and insurance coverage on the furnishings and other items of personal property belonging to an Owner. Owners also shall be responsible for obtaining such policies of title insurance related to any sale of a Lot.

Section 7. Annual Review of Insurance Policies. All insurance policies carried by

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the Association shall be reviewed at least annually by the Board of Directors of the Association to ascertain that the coverage provided by such policies adequately covers those risks insured by the Association. Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Directors or the managing agent of the Association may obtain a written appraisal from a duly qualified-real estate or insurance appraiser, or other person knowledgeable as to replacement costs, which appraiser shall reasonably estimate the full replacement value of the improvements to the insured for the purpose of determining the amount of insurance required pursuant to the provisions of this Article. Any First Mortgagee of a Lot shall be furnished with a copy of such appraisal upon request.

ARTICLE VII

DAMAGE OR DESTRUCTION

Section 1. Damage to Common Area. In the event of damage or destruction to all or a portion of the Common Area due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such Common Area damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Common Area, the Association shall levy a reconstruction assessment in the aggregate amount of such insufficiency pursuant to Article IV, Section 6 hereof and shall proceed to make such repairs or reconstruction, unless the Owners and First Mortgagees of Lots agree not to repair and reconstruct such damage, in accordance with the terms and provisions of Article X hereof. No distributions of insurance proceeds shall be made unless made jointly payable to the Owners and First Mortgagees of their respective Lots, if any. The reconstruction assessment provided for herein shall be a debt of each Owner and a lien on his Lot and the improvements thereon, and may be enforced and collected in the same manner as any assessment lien provided for in this Declaration.

Section 2. Destruction of Improvements on a Lot. In the even of damage or destruction to any structure located on a Lot due to fire or other adversity or disaster, the Owner shall be responsible for repair and reconstruction. "Repair and reconstruction" of any structure, as used in this Section, shall mean restoring the improvements to substantially the same condition in which they existed prior to such damage or destruction, with each structure having the same boundaries as before. Any changes in the structure must be approved by the Architectural Control Committee in accordance with Article V of this Declaration.

If the insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed structure, such damage or destruction shall be promptly repaired and reconstructed using the available insurance proceeds and other personal funds of the Owner(s) of the Lot on which such damage or destroyed structure is located.

ARTICLE VIII

EXTERIOR MAINTENANCE

Section 1. General. Subject to Section 4 of this Article VIII, the maintenance and repair of each Lot, including but not limited to the interior and exterior of the residences and other improvements constructed thereon, shall be the responsibility of the Owner(s) thereof.

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Each Owner, his agents and contractors are hereby granted an easement for the purpose of maintenance and repair of his Lot and/or of any improvements thereon, on, over, across, under and through adjacent Lots upon reasonable notice to the Owner(s) thereof. Any damage occurring to such adjacent Lots or the improvements thereon in performing such repairs or maintenance shall be the responsibility of the Owner(s) performing or authorizing such repairs or maintenance.

Section 2. Association's Right to Repair, Maintain and Restore. In the event any Owner shall fail to perform his maintenance or repair obligations as provided in Section 1 of this Article VIII in a manner satisfactory to the Board of Directors of the Association, the Association may, if said failure continues for a thirty (30) day period after written notice to said Owners by the Board, enter upon said Lot within a reasonable time period subsequent to the expiration of said thirty (30) day period to repair, maintain and restore the Lot, the exterior of the structure and any other improvements located thereon. The cost of such maintenance, repair or restoration shall be the personal obligation of the Owner(s) of the Lot on which such work is performed, shall be added to and become part of the assessment to which such Lot is subject, and shall become a lien against such Lot as provided in Article IV hereof.

Section 3. Access Easement. Each Lot shall be subject to an easement in favor of the Association (including its agents, employees and contractors) for performing maintenance as provided in this Article IX during reasonable hours after reasonable notice to the Owners or occupants of any affected Lot, except that in emergency situations entry upon a Lot may be made at any time, provided that the Owners or occupants of affected Lots shall be warned of impending emergency entry as early as is reasonably possible. The interior of any residence located on a Lot shall not be subject to such easements as provided for in this Section 3.

Section 4. Maintenance of Landscaping. The Association shall be responsible for the landscaping and maintenance of the Common Area, and maintenance of the landscaping of those portions of Lots which are not enclosed by a fence or other structure, including having the grass, weeds, trees, and vegetation cut and/or trimmed when necessary. No Owner shall, in whole or in part, change the landscaping of his Lot or any portion of the Common Area by the addition or removal of any items thereon without the prior written approval of the Architectural Control Committee. Any landscaping approved by the Architectural Control Committee installed by the Owner shall be the responsibility of the Owner.

Section 5. Owner's Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance or repair of the Common Area, a Lot, or any improvement(s) located thereon, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any member of such Owner's family or by a guest or invitee of such Owner, the cost of such repair or maintenance shall be the personal obligation of such Owner, and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction shall be added to and become part of the assessment to which such Owner's Lot is subject and shall become a lien against such Owner's Lot as provided in Article IV of this Declaration. A determination of the negligence or willful act or omission of any Owner or any member of an Owner's family or a guest or invitee of any Owner, and the amount of the Owner's liability therefor, shall be determined by the Association at a hearing after notice to the Owner, provided that any such determination which assigns liability to any Owner pursuant to the terms of this Section may be appealed by said Owner to a court of law.

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ARTICLE IX

RESTRICTIONS

Section 1. General Plan. It is the intention of the Association to establish and impose a general plan for the improvement, development, use and occupancy of the Properties, all thereof in order to enhance the value, desirability, and attractiveness of the Properties and subserve and promote the sale thereof.

Section 2. Restrictions Imposed. The Association hereby declares that all of the Properties shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon, and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements, and covenants, as well as those contained elsewhere in this Declaration.

Section 3. Use of Common Area.

(a) No use shall be made of the Common Area which will in any manner violate the statutes, ordinances, rules, or regulations of any governmental authority having jurisdiction over the Common Area.

(b) No Owner shall engage in any activity which will temporarily or permanently deny free access to any part of the Common Area to all Members, nor shall any Owner place any structure whatsoever upon the Common Area.

(c) The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association.

(d) No use shall ever be made of the Common Area which will deny ingress and egress to those Owners having access to Lots only over Common Area, and the right of ingress and egress to said Lots is hereby expressly granted.

Section 4. Residential Use. Lots shall not be used for any purpose other than a residential dwelling. Commercial and business uses with any adverse external effect on the nature, perception, operation or ambiance of the community, or increased traffic or parked vehicles beyond that reasonable and customary to a residential dwelling use, as reasonably determined by the Board of Directors of the Association, are prohibited.

Section 5. Household Pets. No animals, livestock, poultry or insects, of any kind, shall be raised, bred, kept or boarded in or on the Properties; provided, however, that the Owners of each Lot may keep a reasonable number of dogs, cats, fish, or other domestic animals which are bona fide household pets, so long as such pet(s) are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident(s) of the Properties. No pets may be left unattended on the Common Area. The Board of Directors may adopt additional rules and regulations regarding maintenance of pets. The Association shall have, and is hereby given, the right and authority to reasonably determine that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance to any resident(s) of the Properties, or that an Owner is otherwise in violation of the provisions of this Section 5, and to take such action or actions as it deems reasonably necessary to correct the same. An Owner's right to keep household pets shall be coupled with

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the responsibility to pay for any damage caused by such Owner's pet(s). Nothing contained herein shall relieve an Owner from complying with any prohibition or requirement of the Littleton Municipal Code regarding animals.

Section 6. Lots to be Maintained. Each Lot 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 any Lot so that the same are visible from any neighboring Lot, the Common Area, or any street, except as necessary during the period of construction.

Section 7. Temporary Structures. Except as hereinafter provided, no structure of a temporary character, including but not limited to a house trailer, tent, shack, or outbuilding shall be placed or erected upon any Lot, and no residence shall be occupied in any manner at any time prior to its being fully completed, nor shall any residence when completed be in any manner occupied until made to comply with all requirements, conditions, and restrictions herein set forth; provided, however, that during the actual construction, alteration, repair or remodeling of a residence, necessary temporary structures for storage of materials may be erected and maintained by the person doing such work. The work of constructing, altering or remodeling any residence shall be prosecuted diligently from the commencement thereof until the completion thereof.

Section 8. Miscellaneous Structures.

(a) No advertising or signs of any character shall be erected, placed, permitted, or maintained on any Lot other than a name plate of the occupant and a street number, a "For Sale," "Open House," or "For Rent" sign not to exceed five (5) square feet, and a professionally lettered security sign not to exceed one (1) square foot.

(b) All types of refrigerating, cooking, or heating apparatus shall be concealed.

(c) Subject to federal statutes or regulations governing planned communities, no exterior television or other antennae, microwave dish, satellite dish, satellite antenna, satellite earth station or similar device of any type shall be erected, installed or maintained within the community, except pursuant to the rules and regulations of the Association. Any exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type erected, installed or maintained by an Owner is subject to reasonable and valid safety restrictions, and reasonable restrictions as to screening of the device from view by neighboring Lots. All costs associated with the installation or maintenance of any exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type by an Owner, including costs of repair, replacement, improvement and maintenance of the structure to which such exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type is affixed, erected and/or installed upon, shall be the sole responsibility of that Owner.

(d) No clotheslines, dog runs, drying yards, service yards, storage sheds, wood piles or storage areas shall be so located on any Lot as to be visible from a street, any other Lot, or from the Common Area.

Section 9. Vehicular Parking, Storage and Repairs.

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(a) Any house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat, or accessories thereto, motor-driven cycle, truck (larger than 3/4 ton), self-contained motorized recreational vehicle, or other type of recreational vehicle or equipment, may be parked or stored on the Properties only if such parking or storage is done wholly within the enclosed garage, if any, located on a Lot, or within any area which may, from time to time, be designated by the Association for the parking or storage of such vehicles, except that any such vehicle may be otherwise parked as a temporary expedience for loading, delivery, or emergency. This restriction, however, shall not restrict trucks or other commercial vehicles within the Properties that are necessary for construction or for the maintenance of the Common Area, Lots, or any improvements located thereon.

(b) No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked within the Community. 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 Board of Directors of the Association.

(c) If any vehicle is parked on any portion of the community in violation of this Section or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after forty-eight (48) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the community stating the name and telephone number of the person or entity which will do the towing and/or booting hereunder. If forty-eight (48) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed or booted in accordance with the notice, without further notice to the vehicle owner or user.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's Lot or dwelling, is obstructing the flow of traffic, is parked on any grassy area, is parked in a space which has been assigned as exclusively serving another Lot, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately.

If a vehicle is towed or booted in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for towing and storage costs or for any claim of damage as a result of the towing or booting activity. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

(d) As further provided in Article IX, Section 4, no activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicles, trailers or boats, may be performed or conducted on the Properties, unless it is done within completely enclosed structures(s) which screen the sight and sound of the activity from the street and from adjoining property. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, or motor-driven cycle, together with those activities normally incident and necessary to such washing and polishing.

Section 10. Nuisances. No nuisance shall be permitted on the Properties, nor any use, activity or practice which is the source of annoyance or embarrassment to, or which

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offends or disturbs, any residents of the Properties, or which interferes with the peaceful enjoyment or possession and proper use of the Properties, or any portion thereof, by its residents. Further, no immoral, improper, offensive or unlawful use shall be permitted or made of the Properties or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Properties, or any portion thereof, shall be observed. See also the provisions under Section 5 "Household Pets" of this Article IX.

Section 11. Lots Not to be Subdivided. No Lot shall be subdivided, except for the purpose of combining portions with an adjoining Lot provided that no additional building site is created thereby. Not less than one entire Lot, as conveyed, shall be used as a building site.

Section 12. No Hazardous Activities. No activities shall be conducted on the Properties or within improvements constructed on the Properties that are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any of the Properties and no open fires shall be lighted or permitted on the Properties except in a contained barbecue unit while attended and in use for cooking purposes or within an interior fireplace, or except such campfires or picnic fires on property which may be designated for such use by the Association.

Section 13. No Annoying Light, Sounds or Odors. No light shall be emitted from any Lot that is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot that is unreasonably loud or annoying; and no odor shall be permitted from any Lot that is noxious or offensive to others. See also the provisions under Section 5 "Household Pets" of this Article IX.

Section 14. Garbage and Refuse Disposal. No garbage, refuse, rubbish, or cuttings shall be deposited on any street, the Common Area, or any Lot, unless placed in a suitable container suitably located, solely for the purpose of garbage pickup. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner.

Section 15. Leases. The term "lease," as used herein, shall include any agreement for the leasing or rental of a Lot or any portion thereof, and shall specifically include, without limitation, a month-to-month rental. Any Owner shall have the right to lease his Lot under the following conditions:

- (a) All leases shall be in writing; and
- (b) All leases shall provide that the terms of the lease and lessee's occupancy of the Lot shall be subject in all respects to the provisions of this Declaration, and the Articles of Incorporation, Bylaws and rules and regulations of the Association, and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease;
- (c) An Owner may be requested by the Board to evict any lessee who has committed more than two (2) violations of any of the provisions of the Declaration or any rules and regulations. Notwithstanding this provision, an Owner shall immediately evict any lessee who commits, or whose guest commits, any act, or series of acts, which endanger the life of any person, or who willfully and substantially endangers any Common Area or other property pursuant to the provisions of Colorado Revised Statute § 13-40-107.5. If an Owner does not enforce the terms of this subsection (c), the Board shall have the authority to do so;

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(d) Notice of violation may be sent to the lessee in addition to the Owner of the Lot. The Owner will be held solely responsible for all fines incurred for violations by lessees; and

(e) No lease shall be for less than six (6) months.

Section 16. Rules and Regulations. Rules and regulations concerning and governing the Properties or any portion thereof may be adopted, amended or repealed, from time to time by the Board of Directors of the Association, and the Board of Directors may establish and enforce penalties for the infraction thereof, including without limitation the levying and collecting of fines for the violation of any of such rules and regulations.

Section 17. Management Agreements and Other Contracts. The Association may utilize professional management in performing its duties hereunder. Any agreement for professional management of the Association's business shall have a maximum term of three (3) years and any such agreement shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon thirty (30) days' prior written notice.

Section 18. City of Littleton's Requirements as to Perimeter Fencing and Patio Areas. Unless otherwise approved by the City of Littleton Development Review Committee:

(a) If in the future a fence is constructed along West Jamison Avenue, such fence shall be controlled and maintained by the Association. It is anticipated that such fence construction will consist of masonry pilasters spaced no greater than 24 feet apart with open wrought iron railing, and that such fence will be located adjacent to the ten-foot utility easement provided along West Jamison Avenue;

(b) Each Lot has an approved area, which area shall be a private "patio area". Each such patio area is at the side or back of each Lot and may be fenced with a 6-foot cedar fence having a 1-inch by 6-inch ribbon at the top for decoration. No other fencing is allowed around Lots. In addition, a structure constructed of redwood or cedar not to exceed 100 square feet with no less than fifty percent (50%) open roof trellis will be permitted to cover the patio area, so long as a minimum 6-foot side setback is maintained from adjacent property. Fences are to be maintained so that they do not constitute a hazard, blight or condition of disrepair. The City of Littleton fence ordinance states that examples of hazards, blight, or disrepair, includes, but is not limited to: leaning fences, fences with missing slats or blocks, fences which have holes, breaks, rot, crumbling, cracking, or peeling of paint or rust, graffiti or damaged material. The Architectural Control Committee must approve all changes to fences or patio covers.

ARTICLE X

ELIGIBLE MORTGAGEES

Section 1. 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 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

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containing its name, address, the legal description and the address of the Lot 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 2. Special Rights. Eligible Holders shall be entitled to: (a) timely written notice from the Association of any default by a mortgagor of a Lot 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 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 professional management of the Association or the Common Area, when professional management had been required previously under the legal documents for the 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 Area or to the Lot on which the Eligible Holder holds a security interest, if the cost of reconstruction exceeds Twenty Thousand Dollars (\$20,000.00) 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 Area or any Lots.

Section 3. Special Approvals. Unless at least sixty-seven percent (67%) of the Eligible Holders of first lien security interests (based on one (1) vote for each mortgage owned) of Lots in the Association and requisite Lot 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 Area 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 Properties 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 Lots, including the architectural design of the exterior appearance of Lots, or the upkeep of the Common Area; (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 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 management has previously been required by the legal documents for the 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

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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 thirty (30) days, it shall be deemed to have approved such request.

Section 4. 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 Lot or any of the Common Area and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Area or Lots.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws or rules and regulations of the Association, 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 Association and any aggrieved Owner shall have the right to institute, maintain and/or prosecute any such proceedings, and the Association shall further have the right to levy and collect fines, exercise self-help or take action to abate any violation of the Declaration, Bylaws, Articles of Incorporation or rules and regulations for the violation of any provision of any of the aforesaid documents; in any action instituted or maintained under this Section, the prevailing party 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 by the Association or any Owner to enforce any covenant or fine restriction herein contained, or any other provision of any of the aforesaid documents, shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 3. Construction and Maintenance Easement. If any portion of any exterior wall of a structure is situated within five feet of any adjoining Lot line, a valid easement shall and does exist, five feet in width along the adjoining Lot and adjacent to the said Lot line, which easement may be used for the purpose of construction, reconstruction, maintenance and repair of said exterior wall of a structure that is situated within five feet from the nearest point of said easement.

Section 4. Utilities. There is hereby created a blanket easement upon, across, over and under the Properties for utilities and the installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone, electricity, master television antenna systems, and cable television, provided that said blanket easement shall not extend upon, across, over or under any structure located on any Lot. By virtue of this blanket easement, it shall be expressly permissible to erect and maintain the necessary facilities, equipment and appurtenances on the Properties and to affix, repair, and maintain water and sewer pipes, gas, electric, telephone and television wires, circuits, conduits and meters. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, Association

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reserves and is hereby given the right and authority to grant such easement upon, across, over or under any part or all of the Common Area.

Section 5. Conflict of Provisions. In case of any conflict between this Declaration, the Articles of Incorporation or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control. In case of any conflict between this Declaration, the Articles of Incorporation or the Bylaws of the Association with any ordinance, statute or regulation duly adopted by any governmental or quasi-governmental agency, the ordinance, statute or regulation shall control; provided, however, that the applicable provision of the Declaration, Articles of Incorporation or Bylaws of the Association shall control if such provision is more stringent than the applicable ordinance, statute or regulation.

Section 6. Condemnation. In the event proceedings are initiated by any government or agency thereof, seeking to take by condemnation or the power of eminent domain the Common Area, any part thereof or any interest therein, any improvement thereon, or any interest therein, the Association shall give prompt notice thereof, including a description of the part of or interest in the Common Area or improvement thereon sought to be so condemned, to all Members. The Association shall have full power and authority to defend in said proceedings, and to represent the Owners in any negotiations, settlements and agreements with a condemning authority for acquisition of the Common Area, any part thereof, or any interest therein, and each Owner hereby appoints the Association as his attorney-in-fact for such purposes. Any award or proceeds of settlement shall be payable to the Association for the use and benefit of the Members and their mortgagees as their interest may appear.

(a) In the event that all of the Common Area is taken or condemned, or sold or otherwise disposed of, in lieu of or in avoidance thereof, any award or settlement shall be apportioned by the Association on a reasonable basis as the Association determines to be equitable in the circumstances, or as determined by judicial decree. If the allocation of condemnation award is already established in the negotiations, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent that it is relevant and applicable.

(b) In the event that less than the entire Common Area is taken or condemned or sold or otherwise disposed of in lieu of or in avoidance thereof, the condemnation award shall first be applied by the Association to the rebuilding and replacement of those improvements on the Common Area damaged or taken by the condemning public authority, unless sixty-seven percent (67%) of the Owners and sixty-seven percent (67%) of the First Mortgagees of Lots (based upon one vote for each First Mortgage held) agree otherwise. Any surplus of the award or other portion thereof not used for rebuilding and replacement shall be distributed by the Association on the same basis as indicated in subparagraph (a) of this Section 7. No provision of the Declaration or any other document relating to the Properties shall be deemed to give an Owner or any other party priority over the rights of a First Mortgagee, pursuant to a First Mortgage, in the case of a distribution to any Owner of insurance proceeds or condemnation award for losses to or taking of Lots or Common Area or both.

Section 7. Duration, Revocation, and Amendment.

(a) Each and every provision of this Declaration shall run with and bind the land for a term of twenty (20) years from the date of recording of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10)

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(a) Each and every provision of this Declaration shall run with and bind the land for a term of twenty (20) years from the date of recording of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each. Except as provided in Article X hereof, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended, revised, removed or repealed, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval in writing by not less than fifty-one percent (51%) of the Members.

(b) To be effective, all amendments to or revocation or termination of this Declaration must be recorded in the office of the Clerk and Recorder of the County of Arapahoe, Colorado, and must contain evidence of the required approval thereof.

(c) One method of satisfying the requirements of Subsection (b) of this Section 8 shall be the recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of the Lots, and that the requisite percentage of First Mortgagees, if any, have given notarized written consent to the amendment. The Secretary must further certify that originals of such written consents by Owners and First Mortgagees, as applicable, along with the recorded amendment, are in the corporate records of the association and available for inspection.

Section 8. Easement for Encroachments. If any portion of a structure encroaches upon the Common Area or upon any adjoining Lot, including any future encroachments arising or resulting from the repair or reconstruction of a structure subsequent to its damage, destruction or condemnation, a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, so long as its stands, shall and does exist.

Section 9. Registration by Owner of Mailing Address. Each Owner and each First Mortgagee, insurer or guarantor of a First Mortgage, shall register his mailing address with the Association. All notices, demands, or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent to the principal office of the Association, which is currently 11901 W. 48th Ave., Wheat Ridge, CO 80033-2166.

Section 10. Dedication of Common Area. Those areas of land designated as Common Area are intended for the common use and enjoyment of Owners for recreation and other related activities. The Common Area is not dedicated hereby for use by the general public but is dedicated to the common use and enjoyment of the Owners, as more fully provided in this Declaration of Covenants, Conditions and Restrictions.

In Witness Whereof, the undersigned, being the president and the treasurer of Southbridge 7 Homeowners Association, Inc., hereby certify that the Association has obtained written approval of this Amended and Restated Declaration from fifty-one percent (51%) of the Members.

27/08

SOUTHBRIDGE 7 HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: *Cindy Stahl*
President

ATTEST:

By: *Beth C Kramer*
Secretary

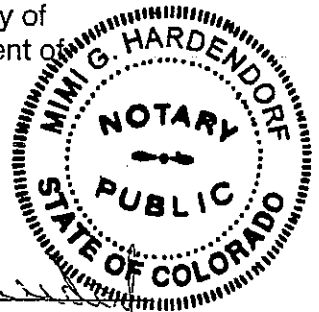
STATE OF COLORADO)
COUNTY OF *Arapahoe*) ss.

The foregoing Declaration was acknowledged before me on this 6 day of *July*, 2002, by *Cindy Stahl* as President of Southbridge 7 Homeowners Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 5/26/05

Mimi G. Hardendorf
Notary Public



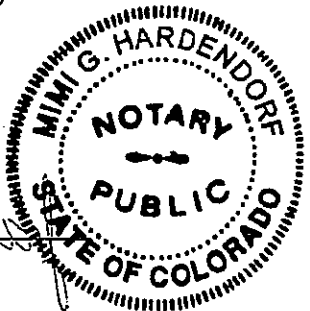
STATE OF COLORADO)
COUNTY OF *Arapahoe*) ss.

The foregoing Declaration was acknowledged before me on this 6 day of *July*, 2002, by *Beth C Kramer* as Secretary of Southbridge 7 Homeowners Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 5/26/05

Mimi G. Hardendorf
Notary Public



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EXHIBIT A

SOUTHBRIDGE SUBDIVISION FILING No. 7 PHASE 1:

A TRACT OF LAND BEING PART OF SOUTHBRIDGE SUBDIVISION FILING NO. 7, A PART OF THE NW 1/4 OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 68 WEST OF THE 6TH P.M. CITY OF LITTLETON, COUNTY OF ARAPAHOE, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER 1/4 CORNER OF SAID SECTION 34; WHENCE N 00°00'27" E, ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 34 A DISTANCE OF 1030.90 FEET TO A POINT ON THE RIGHT OF WAY LINE OF WEST JAMISON AVENUE EXTENDED; THENCE S 89°51'08" W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 1213.42 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHBRIDGE SUBDIVISION FILING NO. 7; THENCE CONTINUING S 89°51'08" W ALONG SAID NORTH RIGHT OF WAY LINE A DISTANCE OF 943.26 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 554.9 FEET THROUGH A CENTRAL ANGLE OF 15°00'00"; THENCE ALONG SAID NORTH RIGHT OF WAY LINE AND THE ARC OF SAID CURVE A DISTANCE OF 145.27 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 215.00 FEET THROUGH A CENTRAL ANGLE OF 6°18'19"; THENCE ALONG SAID NORTH RIGHT OF WAY LINE AND THE ARC OF SAID CURVE A DISTANCE OF 23.66 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED, SAID POINT BEING A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 20 FEET THROUGH A CENTRAL ANGLE OF 103°20'33"; THENCE ALONG THE EAST RIGHT OF WAY LINE OF WEST JAMISON CIRCLE AND THE ARC OF SAID CURVE A DISTANCE OF 36.07 FEET; THENCE N 34°30'00" E ALONG SAID EAST RIGHT OF WAY LINE A DISTANCE OF 32.93 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 425 FEET THROUGH A CENTRAL ANGLE OF 49°27'18"; THENCE ALONG SAID EAST RIGHT OF WAY LINE AND THE ARC OF SAID CURVE A DISTANCE OF 366.84 FEET; THENCE N 83°57'23" E ALONG SAID EAST RIGHT OF WAY LINE A DISTANCE OF 48.25 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 275.00 FEET THROUGH A CENTRAL ANGLE OF 36°31'08"; THENCE ALONG SAID EAST RIGHT OF WAY LINE AND THE ARC OF SAID CURVE A DISTANCE OF 175.28 FEET; THENCE N 45°08'52" W A DISTANCE OF 406.37 FEET TO A POINT ON THE NORTHWESTERLY BOUNDARY LINE OF SAID SOUTHBRIDGE SUBDIVISION FILING NO. 7; THENCE S 44°51'08" W ALONG SAID NORTHWESTERLY BOUNDARY LINE A DISTANCE OF 260.94 FEET; THENCE S 40°13'16" E A DISTANCE OF 208.84 FEET TO A POINT ON A CURVE TO THE LEFT AND THE WEST RIGHT OF WAY LINE OF WEST JAMISON CIRCLE FROM WHENCE THE RADIUS POINT OF SAID CURVE BEARS S 21°51'39" E, SAID CURVE HAVING A RADIUS OF 475 FEET THROUGH A CENTRAL ANGLE OF 33°37'21"; THENCE ALONG SAID WEST RIGHT OF WAY LINE, AND THE ARC OF SAID CURVE A DISTANCE OF 278.74 FEET; THENCE S 34°30'00" W ALONG SAID WEST RIGHT OF WAY LINE A DISTANCE OF 32.93 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 20 FEET, THROUGH A CENTRAL ANGLE OF 103°20'33"; THENCE ALONG SAID WEST RIGHT OF WAY LINE AND THE ARC OF SAID CURVE A DISTANCE OF 36.07 FEET TO THE NORTH RIGHT OF WAY LINE OF WEST JAMISON AVENUE, BEING A POINT ON A CURVE FROM WHENCE THE RADIUS POINT OF SAID CURVE BEARS N 47°50'33" E, SAID CURVE HAVING A RADIUS OF 215.00 FEET THROUGH A CENTRAL ANGLE OF 26°41'11" THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 100.14 FEET TO THE TRUE POINT OF BEGINNING.