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THE CONDOMINIUM DECLARATION

OF

THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS

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EXHIBITS

- A LEGAL DESCRIPTION OF THE REAL PROPERTY SUBMITTED TO THE CONDOMINIUM DECLARATION OF THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS (FIRST PHASE)
- B LEGAL DESCRIPTION OF THE REAL PROPERTY WHICH MAY BE SUBMITTED TO THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUM REGIME IN LATER PHASES
- C TABLE OF INTERESTS (FIRST PHASE)
- D SCHEDULE OF MAINTENANCE RESPONSIBILITIES
- E THE RECORDING DATA FOR RECORDED EASEMENTS AND LICENSES WHICH THE CONDOMINIUM COMMUNITY IS OR MAY BECOME SUBJECT TO
- F ARBITRATION PROCEDURES

THE
CONDOMINIUM DECLARATION
OF
THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS

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PREAMBLE

THIS DECLARATION is made on the date hereinafter set forth by FIRST AND HARLAN CARRIAGE HOMES, LLC, a Colorado Limited Liability Company ("Declarant").

WHEREAS, Declarant is the owner of certain real property located in Lakewood, Colorado, as more particularly described on the attached Exhibits A and B; and

WHEREAS, the Declarant intends to create a condominium community on said real property together with other improvements thereon; and

WHEREAS, Declarant will convey said real property, subject to the protective covenants, conditions and restrictions as hereinafter set forth.

NOW THEREFORE, Declarant hereby submits the real property described on said Exhibit A, together with all rights, and appurtenances thereto and improvements thereon to the provisions of the Colorado Common Interest Ownership Act, as it may be amended from time to time. In the event the said Act is repealed, the Act as it exists on the date this Declaration is recorded shall remain applicable.

Declarant hereby declares that all of the said real property described on said Exhibit A shall be held and conveyed subject to the following covenants, conditions and restrictions, all of which are declared and agreed to be for the protection of the value of the said real property, and for the benefit of any persons having any right, title or interest in the said real property. Said covenants, conditions and restrictions shall be deemed to run with the land and shall be a burden and a benefit to any persons acquiring such interest, their grantees, heirs, legal representatives, successors and assigns.

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ARTICLE ONE: DEFINITIONS 9

As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

1.1 ACT means the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101, et seq. as it may be amended from time to time.

1.2 AGENCIES means and collectively refers to the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD/FHA), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities.

1.3 ALLOCATED INTERESTS means the Percentage Ownership Interest in the Common Elements, the Common Expense Assessment Liability and the Votes in the Association which are allocated to each of the Units in the Condominium Community. The formulas used to establish the Allocated Interests are as follows:

(a) Interest in the Common Elements. The undivided Percentage Ownership Interest in the Common Elements appurtenant to a particular Condominium Residence has been allocated on the basis of a fraction, the numerator of which is one and the denominator of which is the total number of Residences then within the Condominium Community, as more fully set forth on the attached Exhibit C.

(b) Common Expense Assessment Liability. All Common Expenses shall be assessed against Units on the basis of a fraction, the numerator of which is one and the denominator of which is the total number of Residences then in the Condominium Community and is as set forth on the attached Exhibit C.

In the event that the Declarant exercises its right to enlarge this Condominium Community in Phases by submitting to the Condominium Community additional real property in accordance with ARTICLE TWELVE hereof, the Percentage Ownership Interest in the Common Elements and the Common Expense Assessment Liability set forth above will be reallocated by the Declarant in accordance with the above.

(c) Votes. The Owners of each Unit in the Condominium Community shall be entitled to one vote for each Unit owned.

1.4 ARTICLES means the Articles of Incorporation of the Association as they may be amended from time to time.

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1.5 ASSESSMENTS means the (a) Common Expense Assessments, (b) Special Assessments, (c) Individual Assessments, and (d) Fines levied pursuant to this Declaration.

1.6 ASSESSMENT LIEN means the statutory lien on a Unit for any Assessment levied against that Unit together with all Costs of Enforcement as herein defined. All Costs of Enforcement are enforceable as Assessments.

If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due.

1.7 ASSOCIATION means THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUM ASSOCIATION, a Colorado Corporation, not for profit, its successors and assigns, the Articles of Incorporation and Bylaws, which, along with this Declaration, shall govern the administration of the Condominium Community, the Members of which shall be all of the Owners of the Units within the Condominium Community.

1.8 BOARD OF DIRECTORS or BOARD means the Board of Directors of the Association duly elected pursuant to the Bylaws of the Association or appointed by the Declarant as therein provided. The Board of Directors is the governing body of the Association and shall act on behalf of the Association.

The term Board of Directors as used herein is synonymous with the term Executive Board as the latter term is used in the Act.

1.9 BUILDING means any building located in the Condominium Community and within which one or more Condominium Residences are located.

1.10 BYLAWS means the Bylaws which are adopted by the Board of Directors for the regulation and management of the Association as they may be amended from time to time.

1.11 CITY means Lakewood, Colorado.

1.12 COMMON ELEMENTS means all of the Condominium Community as herein defined, except the portions thereof which constitute Condominium Residences and also means any facilities, improvements and/or fixtures which may be within a Condominium Residence which are or may be necessary or convenient to the support, existence, use, maintenance, repair or safety of a Building or any other Condominium Residence therein and includes those Common Elements which are assigned to the exclusive use of one or more, but not all, of the Owners (Limited Common Elements).

Without limiting the generality of the foregoing, the following shall constitute Common Elements:

- (a) all of the real property, landscaping, easements, private street, and some parking spaces as designated on the Map; and

- (b) all foundations, columns, beams and supports of the Building; and //
- (c) the exterior walls of the Building, the bearing and utility walls within the Building, the main and bearing subflooring and the roofs of the Building; and
- (d) all utility, service and maintenance rooms, fixtures, apparatus, installations and central facilities for power, light, gas, telephone, television, hot water, cold water, heating, incineration, or similar utility, service or maintenance purposes, including furnaces, apparatus, installations, facilities, all of which serve more than one Residence and are not located within a Residence; and
- (e) in general, all other parts of the Condominium Community necessary in common use or convenient to its existence, maintenance and safety.

Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements will be void unless the Unit to which the interest is allocated is also transferred.

In the event that additional real property is made subject to this Declaration in the manner provided in ARTICLE TWELVE hereof, "Common Elements" shall, from the date such additional real property is made subject to this Declaration, include any part thereof designated as "Common Elements" in such Supplemental Declarations.

1.13 COMMON EXPENSE ASSESSMENTS means the funds required to be paid by each Owner in payment of such Owner's Common Expense Liability as more fully defined in Paragraph 5.2 hereof.

1.14 COMMON EXPENSE ASSESSMENT LIABILITY means the liability for the Common Expense Assessment allocated to each Unit which is determined in accordance with that Unit's Allocated Interests as set forth in Paragraph 1.3 hereof.

1.15 COMMON EXPENSES means expenditures made by or liabilities incurred by or on behalf of the Association, together with allocations to reserves.

1.16 CONDOMINIUM RESIDENCE or RESIDENCE (Individual Air Space Unit) means the individual air space of such Condominium Residence which is contained in an enclosed room or rooms occupying all or part of a floor or floors in the Buildings not including, however, any of the Common Elements located within such air space. Each Condominium Residence is shown on the Map and is identified thereon with a number.

1.17 CONDOMINIUM COMMUNITY means such real property described on the attached Exhibit A and the improvements located thereon also known as THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS.

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In the event that additional real property is made subject to this Declaration in the manner provided in ARTICLE TWELVE hereof, "Condominium Community" shall, from the date such additional real property is made subject to this Declaration, include any part thereof designated as "Condominium Community" and all improvements contained therein in such Supplemental Declarations.

1.18 CONDOMINIUM UNIT or UNIT means the separate fee simple ownership interest in a Condominium Residence, and all improvements and fixtures contained therein, together with the appurtenant undivided interest in the Common Elements.

In the event that additional real property is made subject to this Declaration in the manner provided in ARTICLE TWELVE hereof, "Unit" shall, from the date such additional real property is made subject to this Declaration, include any part thereof designated as Units in such Supplemental Declarations.

1.19 COSTS OF ENFORCEMENT means all fees, late charges, interest, expenses, including receiver's fees, and reasonable attorneys' fees and costs incurred by the Association (a) in connection with the collection of the Assessments and Fines, or (b) in connection with the enforcement of the terms, conditions and obligations of the Project Documents.

1.20 COUNTY means Jefferson County, Colorado.

1.21 DECLARANT means the FIRST AND HARLAN CARRIAGE HOMES, LLC, a Colorado Limited Liability Company, or its successors and assigns.

1.22 DECLARATION means this Declaration and Map and any supplements and amendments thereto recorded in the Office of the County Clerk and Recorder.

1.23 DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS means the rights as defined by §§ 38-33.3-103(14) and 38-33.3-103(29) of the Act reserved by the Declarant under ARTICLE TEN hereof.

1.24 ELIGIBLE MORTGAGEE means a holder, insurer or guarantor of a First Security Interest who has delivered a written request to the Association containing its name, address, legal description, requesting that the Association notify it of any proposed action requiring the consent of the specified percentage of Eligible Mortgagees.

1.25 FIRST MORTGAGEE means any Person which owns, holds, insures or is a governmental guarantor of a Security Interest, which is a First Security Interest encumbering a Unit within the Condominium Community. A First Mortgagee shall also include the holder of executory land sales contracts wherein the Administrator of Veterans Affairs (Veterans Administration) is the Seller, whether such contract is recorded or not.

1.26 FIRST SECURITY INTEREST means a Security Interest that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.27 GUEST means (a) any person who resides with an Owner within the Condominium Community; (b) a guest, agent or invitee of an Owner; (c) an occupant or tenant of a Unit within the Condominium Community, and any members of his or her household, invitee or cohabitant of any such person; or (d) a contract purchaser.

1.28 LIMITED COMMON ELEMENTS means those parts of the Common Elements which are limited to and reserved for the exclusive use of the Owner of a particular Condominium Unit as herein defined and as designated on the Map.

In the event that additional real property is made subject to this Declaration in the manner provided in ARTICLE TWELVE hereof, "Limited Common Elements" shall, from the date such additional real property is made subject to this Declaration, include any part thereof designated as "Limited Common Elements" in such Supplemental Declarations.

1.29 MANAGING AGENT means the person or entity who the Board of Directors may engage to administer and manage the affairs of the Association.

1.30 MAP means THE CONDOMINIUM MAP OF THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS which is an engineering survey (and any supplements and amendments thereto) of the Condominium Community depicting and locating thereon the location of the Buildings, the Condominium Residences with their identification numbers, the Common Elements and Limited Common Elements, the floors and elevations, and all of the land and improvements thereon, which Map is incorporated herein and made a part of this Declaration by reference.

Declarant hereby reserves unto the Board of Directors of the Association the right, without consent of any Owner or First Mortgagee, to amend the Map and any supplements thereto to (a) insure that the language and all particulars used on the Map and contained in the Declaration are identical, (b) establish, vacate, reconfigure and relocate easements and parking spaces, (c) establish certain Common Elements as Limited Common Elements, (d) reflect the subdivision or combination of any Unit as provided hereunder, and (e) satisfy any requirements of the Act.

Declarant hereby reserves unto itself the right, without the consent of any Owner or First Mortgagee, to amend the Map and any supplement hereto (a) in accordance with ARTICLE TWELVE hereof, and (b) to reflect the subdivision or combination of any Unit so long as such amendment is made prior to the expiration of the Declarant's Rights as set forth in paragraph 10.3 hereof.

In all other cases, the Map may be amended in accordance with Paragraph 13.2 hereof. The Map and any supplements thereto are hereby incorporated herein by reference as if set forth in their entirety.

1.31 MEMBER means each Owner, as set forth in Paragraph 1.33 hereof.

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1.32 NOTICE AND HEARING means a written notice and an opportunity for a hearing before the Board of Directors in the manner provided in the Bylaws.

1.33 OWNER means the owner of record of the fee simple title to any Unit which is subject to this Declaration.

1.34 PARTICIPATING BUILDER means and refers to a Person or Persons who acquires a portion of the Condominium Community for purposes of constructing Units in accordance with any development plans for resale to third party purchasers, and who is designated by the Declarant as such by an instrument duly recorded in the Office of the County Clerk and Recorder.

1.35 PERIOD OF DECLARANT CONTROL means that period of time defined in Paragraph 4.7 hereof.

1.36 PERSON means a natural person, a corporation, a partnership, an association, a trustee, a limited liability company, a joint venture, or any other entity recognized as being capable of owning real property under Colorado law.

1.37 PROJECT DOCUMENTS means this Declaration, the Map, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations of the Association, if any.

1.38 RULES means the Rules and Regulations adopted by the Board of Directors for the regulation and management of the Condominium Community as amended from time to time.

1.39 SECURITY INTEREST means an interest in real estate or personal property created by contract which secures payment of an obligation. The term includes a lien created by a deed of trust, mortgage, contract for deed, land sales contract, or UCC-1.

1.40 SPECIAL ASSESSMENT is as defined in Paragraph 5.4(d) hereof.

1.41 SUPPLEMENTAL DECLARATION means a written instrument containing covenants, conditions and restrictions which is recorded, annexing in accordance with ARTICLE TWELVE hereof, a portion of the real property described on Exhibit B hereof to the Condominium Community.

1.42 TURNOVER DATE means the date the Period of Declarant Control terminates as more fully set forth in Paragraph 4.7 hereof.

1.43 UNITS THAT MAY BE CREATED means thirty-three Units, which shall be the maximum number of Units that may be subject to this Declaration, including those Units which may be included if all of the property described on Exhibit B hereof is annexed to the Condominium Community and made subject to this Declaration.

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1.44 VA AND/OR FHA APPROVAL means that the Condominium Community has been or may be approved by the Veterans Administration and/or the Federal Housing Administration so that such agencies will insure or guarantee loans made upon the Units within the Condominium Community.

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ARTICLE TWO: NATURE AND INCIDENTS OF THE CONDOMINIUM COMMUNITY

2.1 The Condominium Community. The name of the Condominium Community is THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS. It is a Condominium Community.

2.2 Initial Number of Units. The number of Units within the First Phase of the Condominium Community is five. The Declarant reserves the right but not the obligation to create additional Units by the expansion of the Condominium Community in accordance with ARTICLE TWELVE hereof.

2.3 Division into Units, Estates of an Owner. The Condominium Community is hereby divided into five Units, each consisting of a separate fee simple estate in a particular Condominium Residence, and an appurtenant undivided fee simple interest in the Common Elements.

The undivided interest in the Common Elements appurtenant to a particular Condominium Unit is determined in accordance with that Unit's Allocated Interest as set forth in Paragraph 1.3 hereof and is as set forth on Exhibit C attached hereto.

2.4 Title. A Unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Colorado.

2.5 Description of a Condominium Unit. Every contract for the sale of a Unit written prior to the filing for record of the Map and this Declaration may legally describe a Unit by its identifying Unit number designation followed by the words "FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS" with further reference to the Map thereof to be filed for record and the Declaration to be recorded. Upon recordation of the Map and the Declaration in the Office of the County Clerk and Recorder such description shall be conclusively presumed to relate to the therein described Units.

Every deed, lease, mortgage, trust deed, will or other instrument may legally describe a Unit by its identifying number followed by the words "FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS".

A sufficient description of a Condominium Unit shall be as follows:

CONDOMINIUM UNIT NO. ____, BUILDING NO. ____, FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS, according to THE CONDOMINIUM MAP OF THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS, recorded on _____ as Reception No. _____, and as defined by THE CONDOMINIUM DECLARATION OF THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS, recorded on _____ as Reception No. _____, both recorded in the Office of the County Clerk and Recorder, Jefferson County, Colorado.

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Every description shall be good and sufficient for all purposes to assign, sell, convey, transfer, encumber or otherwise affect not only the Condominium Residence, but also the Common Elements and the right to the use of the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a nonexclusive easement for ingress and egress throughout the Condominium Community and for the use of the Common Elements together with the right to the exclusive use of designated Limited Common Elements.

The reference to the Map and Declaration in any instrument shall be deemed to include any supplements or amendments to the Map or Declaration, without specific references thereto.

The undivided interest in the Common Elements appurtenant to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description and the instrument conveying or encumbering said Unit may only refer to the title to that Unit. The reference to the Map and Declaration in any instrument shall be deemed to include any Supplements or Amendments to the Map or Declaration without specific reference thereto.

2.6 Residence Boundaries. The interior unfinished surfaces of the perimeter walls, lowermost floors and uppermost ceilings shall mark the perimeter boundaries of a Condominium Residence as shown on the Condominium Map, and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Condominium Residences, and all other portions of the walls, floors, or ceilings are part of the Common Elements.

If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any fixtures lies partially within and partially outside the designated boundaries of a Condominium Residence, any portion thereof serving only that Residence is a Limited Common Element allocated solely to that Residence, and any portion thereof serving more than one Residence or any portion of the Common Elements is a part of the Common Elements.

Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, decks, patios, and all exterior doors and windows or other fixtures designed to serve a single Condominium Residence, but located outside the Residence's boundaries, are Limited Common Elements allocated exclusively to that Residence.

Subject to the above, the airspaces, interior partitions and other fixtures and improvements located within the boundaries of a Condominium Residence are a part of the Residence.

2.7 Physical Boundaries. The existing physical boundaries of any Condominium Residence or Common Elements shall be conclusively presumed to be the boundaries.

2.8 Right to Combine Units. An Owner may physically combine the airspace of one Unit with the airspace of one or more adjoining Units subject to (a) the review and written approval of the Board of Directors, (b) compliance with §§ 38-33.3-211 and 212 of the Act, and (c) the receipt

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of all requisite approvals from the City. In the event of any such physical combining of Units to create a combined Unit, such combined Unit shall also include the combining of the fixtures and improvements and of the undivided interest in the Common Elements appurtenant to such Units.

The Board of Directors reserves the right to designate and convey to said Owner of such combined Units additional Limited Common Elements appurtenant to such Unit, any walls, floors or other structural separation for the combination of such Units, provided, however, that such walls, floors or other structural separations for such space shall automatically become Common Elements if the combined Units become subject to separate ownership in the future.

The Board of Directors shall have authority to grant easements through the Common Elements to accomplish the combining of the Units. The Assessment Liability of each Unit, shall remain the same, as will the voting rights for such Units.

2.9 Inseparability of a Unit. An Owner's undivided interest in the Common Elements shall not be separated from the Condominium Unit to which it is appurtenant and shall be deemed to be conveyed or encumbered with the Condominium Unit even though the interest is not expressly mentioned or described in a deed or other instrument.

2.10 No Partition. The Common Elements shall remain undivided, and no owner or any other person shall bring any action for partition or division of the Common Elements. Similarly, no action shall be brought for the physical partition or subdivision of a Condominium Residence or a Unit between or among the Owners thereof, provided, however, an action of partition of a Unit shall be permitted by a sale and the division of the sale proceeds.

2.11 Limited Common Elements. The Limited Common Elements shall be identified on the Map. Any Limited Common Elements which are accessible from, associated with and which adjoins a Condominium Residence identified as Limited Common Elements on the Map shall without further reference thereto, be used in connection with such Condominium Residence to the exclusion of the use thereof by the other Owners except by invitation.

A Limited Common Element may be reallocated between and among Units upon compliance with the procedures set forth in § 38-33.3-208 of the Act.

2.12 Compliance with Provisions of Declaration, Articles and Bylaws of the Association. Each Owner shall comply strictly with, and shall cause each of his or her Guests to comply strictly with, all of the provisions of this Declaration, the Articles and Bylaws of the Association, and the decisions, and Rules and Regulations adopted by the Board of Directors, as the same may be lawfully amended from time to time.

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Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, along with costs of suit and reasonable attorneys' fees, maintainable by the Board of Directors in the name of the Association on behalf of the Owners, or, in a proper case, by any aggrieved Owner.

2.13 Separate Taxation. Each Unit shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither the Building nor the Common Elements shall be deemed to be a parcel. The lien for taxes assessed to any Unit shall be confined to that Unit. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

2.14 Mechanic's Liens Against the Condominium Units. Upon the completion of the Condominium Community by the Declarant and payment of all of the costs thereof, then, no mechanic's lien shall arise or be effective against the Condominium Community.

Mechanic's liens can only arise or be created against a Condominium Unit in the same manner and under the same conditions as mechanic's liens can arise or be created upon any other parcel of real property subject to individual ownership.

No labor performed or materials furnished, with the consent or at the request of an Owner or his or her agent, shall be the basis for the filing of a mechanic's lien pursuant to law against the Unit of another Owner not expressly consenting to or requesting the same, except that express consent shall be deemed to be given by the Owner of any Unit to the Board in the case of emergency repairs.

Labor performed or materials furnished for the Common Elements, if duly authorized by the Board of Directors in accordance with the Declaration or Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner, and shall be the basis for the filing of a mechanic's lien pursuant to law against each of the Units within the Condominium Community.

In the event a mechanic's lien is effected against two or more Units, the Owners of each of the separate Units may remove their Condominium Unit from the mechanic's lien by payment of the fractional or proportional amount attributable to each of the Units affected.

Individual payment shall be determined in accordance with the Percentage Ownership Interest in the Common Elements as set forth in Paragraph 1.3 hereof. Upon payment, discharge or other satisfaction, such Unit shall promptly be released from such lien. Partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his or her rights against any Unit not so released.

Each Owner shall indemnify and hold each of the other Owners harmless from and against liability or loss arising from the claim of any mechanic's lien against the Unit of the Owner, or any part thereof, for labor performed or for materials furnished in the course of work performed on such Owner's Unit.

At the written request of any Owner, the Board shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and materials furnished the amount necessary to discharge any such mechanic's lien and all costs incidental thereto, including reasonable attorneys' fees by an Individual Assessment against such Owner in accordance with Paragraph 5.4(b) hereof.

2.15 Parking Spaces. All Parking Spaces as designated on the Map shall be a part of the Common Elements; provided, however, that the Board shall maintain control thereof and shall have the right to assign and reassign Parking Spaces to Owners within the Condominium Community. Some of these Parking Spaces shall be designated for the use of the handicapped, and all Parking Spaces shall be designated for use by Guests visiting the Condominium Community. These Parking Spaces are not appurtenant to a Unit purchased.

2.16 Restrictions on Sale of a Condominium Unit. The right of an Owner to sell, transfer or otherwise convey his or her 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.

2.17 Restrictions on Mortgaging Units. There are no restrictions on the right of an Owner to mortgage or otherwise encumber his or her Unit. There is no requirement for the use of a specific lending institution or particular type lender.

ARTICLE THREE: VARIOUS RIGHTS AND EASEMENTS

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3.1 Owner's Rights in the Common Elements. Every Owner and such Owner's Guests shall have the nonexclusive right to use and enjoy the Common Elements which shall be appurtenant to and shall pass with the title of the Unit to such Owner, subject to the Development Rights and Special Declarant Rights of the Declarant reserved herein and the following rights of the Board of Directors:

(a) To borrow money to improve the Common Elements and to mortgage said Common Elements as security for any such loan; provided, however, that the Association may not subject any portion of the Common Elements to a security interest unless such is approved by Owners to which at least eighty percent of the votes in the Association are allocated, including eighty percent of the votes allocated to Units not owned by the Declarant as more fully set forth in § 38-33.3-312 of the Act.

(b) To convey or dedicate all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners entitled to cast at least eighty percent of the votes in the Association, including eighty percent of the votes allocated to Units not owned by the Declarant as more fully set forth in § 38-33.3-312 of the Act.

The granting of permits, licenses and easements shall not be deemed a conveyance or encumbrance within the meaning of this Article as more fully set forth in § 38-33.3-312 of the Act.

(c) To promulgate and adopt Rules and Regulations with which each Owner and their Guests shall strictly comply.

(d) To suspend the voting rights of a Member for any period during which any Assessment remains unpaid and, for a period not to exceed sixty days, for any infraction of the Declaration, Bylaws or Rules and Regulations.

(e) To take such steps as are reasonably necessary to protect the Common Elements against foreclosure.

(f) To enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of the Common Elements by Owners and Guests for any purpose the Board may deem to be useful, beneficial or otherwise appropriate.

(g) To close or limit the use of the Common Elements temporarily while maintaining, repairing and making replacements in the Common Elements, or permanently if approved by Members to which at least eighty percent of the votes in the Association are allocated, including eighty percent of the votes allocated to Units not owned by the Declarant as more fully set forth in § 38-33.3-312 of the Act.

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(h) To make such use of the Common Elements as may be necessary or appropriate for the performance of the duties and functions which it is obligated or permitted to perform under this Declaration.

(i) The rights granted to the Board of Directors in Paragraph 4.13 hereof.

3.2 Owner's Rights in the Limited Common Elements. Each Owner and such Owner's Guests shall have an exclusive right to use and enjoy the Limited Common Elements appurtenant to the Unit owned by such Owner.

3.3 Delegation of Use. Any Owner may delegate his or her right of enjoyment to the Common Elements and Limited Common Elements and facilities to their Guests subject to Rules and Regulations of the Association.

3.4 Owner's Easement for Support and Utilities. Each Owner shall have a non-exclusive easement in and over the Common Elements within the Condominium Project including the Common Elements within the Condominium Residence of another Owner, for horizontal and lateral support of the Condominium Residence which is part of his or her Unit, and for utility service to the Condominium Residence, including water, sewer, gas, electricity, telephone and cable television service.

3.5 Easements for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Condominium Residence, an easement for the existence of such encroachment and for the maintenance of the same shall and does exist. If any part of a Condominium Residence encroaches or shall hereafter encroach upon the Common Elements, or upon another Condominium Residence, the Owner of that Condominium Residence shall and does have an easement for the existence of such encroachment and for the maintenance of same. The easement shall extend for whatever period of time the encroachment exists.

Such easements for encroachments shall not be considered to be encumbrances either on the Common Elements or on a Condominium Residence. Encroachments referred to herein include, but are not limited to, unintentional encroachments caused by error in the original construction of the Buildings, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Condominium Community or any part thereof or by any other movement of any portion of the improvements located upon the Condominium Community.

3.6 Easements in Condominium Residences for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within a Condominium Residence. All Owners shall permit a right of entry to the Board of Directors or any other person authorized by the Board of Directors, whether the Owner is present or not, for access through each Condominium Residence to all Common Elements, from time to time, as may be necessary for the routine maintenance, repair, or replacement for any of the Common Elements located thereon or accessible therefrom or for making emergency repairs necessary to prevent damage to the Common Elements or to another Condominium Residence.

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For routine maintenance and non-emergency repairs, entry shall be made only on a regular business day during regular business hours, after service of at least one day's notice in writing to the Owner. In case of emergency, entry shall be made at any time provided that a reasonable effort according to the circumstances is made to give notice of entry.

The Board of Directors or its agents is granted the authority to use such reasonable force as is necessary to gain entry into the Residence in the event of an emergency, if no other means of entry are available in view of the circumstances. The Association shall bear the full responsibility and expense of all damages incurred to the Residence and/or Common Elements because of such forcible entry.

All damage to the interior or any part of a Condominium Residence resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, at the instance of the Association, shall be paid for as part of the Common Expense Assessment by all of the Owners. No diminution or abatement for Common Expense Assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be substantially the same as the condition in which they existed prior to damage.

Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the costs of repairing such damage. In the event the Owner fails within a reasonable time upon proper notice to pay the cost of the damages incurred, the Board of Directors may pay for said damages and charge the Owner responsible as an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

3.7 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 Condominium Community, to enter upon all driveways located in the Condominium Community, in the performance of their duties.

3.8 Director's Easements. The Board of Directors has the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium Community.

3.9 Recording Data Regarding Easements. Pursuant to § 38-33.3-205(m) of the Act, the recording data for recorded easements and licenses appurtenant thereto, or included in the Condominium Community or to which any portion of the Condominium Community is or may become subject to are identified on the attached Exhibit E.

3.10 Owner's Easement for Access. Each Owner shall have a nonexclusive easement for access between his or her Residence and the streets within and adjacent to the Condominium Community. There shall be no restrictions upon any Owner's right of ingress and egress to or from such Owner's Residence. Such easement shall extend for whatever period of time the need for access shall exist.

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3.11 Easements Deemed Appurtenant. The easements, uses and rights herein created for an Owner shall be perpetual and appurtenant to the Units owned by such Owner. All conveyances or any other instruments affecting title to a Unit shall be deemed to grant and reserve the easements, uses and rights as provided for herein, as though set forth in said document in full, even though no specific reference to such easements, uses or rights appear in such conveyance.

ARTICLE FOUR: THE ASSOCIATION

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4.1 Name. The name of the Association is THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUM ASSOCIATION.

4.2 Purposes and Powers. The Association, through its Board of Directors, shall manage, operate, care for, insure, maintain, repair and reconstruct all of the Common Elements and keep the same in a safe, attractive and desirable condition for the use and enjoyment of all of the Owners and such Owner's Guests. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designations and management. The Association shall have all the power necessary or desirable to effectuate such purposes.

The Board of Directors shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Association.

4.3 Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate authority to a Managing Agent for the Association as more fully provided for in the Bylaws, provided no such delegation shall relieve the Board of final responsibility.

4.4 Articles and Bylaws. The purposes and powers of the Association and the rights and obligations with respect to Members set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and Bylaws of the Association.

4.5 Membership. There shall be one class of membership. Members of the Association shall be every record owner of a Unit subject to this Declaration. 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 interest in any Unit, all such persons shall be Members.

The Membership of the Association at all times shall consist exclusively of all Unit Owners or, following termination of the Condominium Community, of all former Unit Owners entitled to distributions of the proceeds under § 38-33.3-218 of the Act, or their heirs, personal representatives, successors or assigns.

4.6 Voting Rights. The Association shall have one class of voting membership. Owners shall be entitled to one vote for each Unit owned.

The vote for such Unit, the ownership of which is held by more than one Owner, may be exercised by any one of them unless an objection or protest by any other holder of an interest of the Unit is made prior to the completion of the vote, in which case the vote for such Unit shall be exercised as the persons holding such interest shall determine between themselves. Should the joint Owners of a Unit be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost.

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The total number of votes which may be cast in connection with any matter shall be equal to the total number of Units then existing within the Condominium Community.

4.7 Period of Declarant Control. Subject to provisions of Paragraph 4.8 hereof, there is a "Period of Declarant Control" during which Period the Declarant may appoint and remove any officer of the Association or any member of the Board of Directors. The Period of Declarant Control is a length of time expiring five years after the filing of the Articles of Incorporation of the Association; provided, however, that the Period of Declarant Control shall terminate no later than (a) sixty days after conveyance of seventy-five percent of the Units That May Be Created to owners other than the Declarant; or (b) two years after the last conveyance of a Unit by the Declarant in the ordinary course of business; or (c) two years after any right to add new Units to the Declaration was last exercised.

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

4.8 Election by Owners. Not later than sixty days after conveyance of twenty-five percent of the Units That May Be Created to Owners other than the Declarant, at least one member and not less than twenty-five percent of the members of the Board of Directors must be elected by Owners other than the Declarant.

Not later than sixty days after conveyance of fifty percent of the Units That May Be Created to Owners other than the Declarant, not less than thirty-three and one third percent of the members of the Board of Directors must be elected by Owners other than the Declarant.

Not later than the termination of any Period of Declarant Control as set forth in Paragraph 4.7 hereof, the Owners shall elect a Board of Directors consisting of not less than three nor more than five members, at least a majority of whom shall be Owners other than the Declarant. The Board shall elect the officers. The Owners elected to the Board shall take office upon election.

4.9 Delivery of Documents by Declarant. Within sixty days after the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver without expense to the Board all property of the Owners and of the Association relating to the Condominium Community held by or controlled by the Declarant, including, without limitation, the following items:

(a) The original or a certified copy of the recorded Declaration, with all amendments and supplements thereto, the Association's Articles of Incorporation, together with a Certificate of Good Standing, Bylaws, minute books, other books and records, to include all income tax returns filed, and any Rules and Regulations which may have been promulgated;

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(b) An accounting for Association funds and financial statements from the date the Association received funds and ending on the date the Period of Declarant Control ends in accordance with § 38-33.303(9)(b) of the Act;

(c) The Association funds or control thereof;

(d) All of the tangible personal property that has been represented by the Declarant to be the property of the Association and has been used exclusively in the operation and enjoyment of the Common Elements, a copy of any plans and specifications in Declarant's possession used in the construction of improvements in the Condominium Community, and inventories of these properties;

(e) All insurance policies then in force in which the Owners, the Association, or its directors and officers are named as insured persons;

(f) Any other permits in Declarant's possession issued by governmental bodies applicable to the Condominium Community and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;

(g) Written warranties of the contractor, subcontractors, suppliers and manufacturers that are assignable and still effective;

(h) A roster of Owners and Eligible Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(i) Employment contracts in which the Association is a contracting party; and

(j) Any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.

4.10 Budget.

(a) In accordance with § 38-33.3-303 of the Act, the Board of Directors shall cause to be prepared, at least sixty days prior to the commencement of each calendar year, a Budget for such calendar year. Within thirty days after the adoption of any Budget by the Board, the Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to each Owner and shall set a date for a meeting of the Owners to consider ratification of the Budget not less than fourteen days nor more than sixty days after delivery of the summary.

Unless at that meeting Owners to which at least sixty-seven percent of the votes in the Association are allocated reject the Budget, the Budget shall be deemed ratified whether or not a quorum is present. In the event the Budget is rejected, the Budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget adopted by the Board of Directors.

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(b) If the Board of Directors deems it necessary or advisable to amend a Budget that has been ratified by the Owners pursuant to Paragraph 4.10(a) above, the Board may adopt a proposed amendment to the Budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen days, nor more than sixty days, after the delivery of the summary of the proposed amendment.

Unless at that meeting Owners to which at least sixty-seven percent of the votes in the Association are allocated reject the amended Budget, the amended Budget shall be deemed ratified whether or not a quorum is present.

4.11 Association Agreements. Any agreement for professional management of the Condominium Community or any contract providing for services of the Declarant, may not exceed one year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty days' written notice.

The Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the Period of Declarant Control unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after such transfer from Declarant Control upon not more than thirty days' notice to the other party thereto.

4.12 Indemnification. Each Officer, Director and committee member of the Association shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon him or her in any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of him or her being or having been an Officer, Director or committee member of the Association, or any settlements thereof, whether or not he or she is an Officer, Director or committee member of the Association at the time such expenses are incurred, to the full extent permitted by Colorado law.

4.13 Certain Rights and Obligations of the Association.

(a) Attorney-in-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an Attorney-in-Fact to deal with the Condominium Community upon its damage, destruction, condemnation and/or obsolescence.

The Board of Directors is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of such Owner in the Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Condominium Community upon its destruction, condemnation or obsolescence as hereinafter provided.

The acceptance by any person of any interest in any Unit shall constitute an appointment of the Board of Directors as attorney-in-fact as provided above and hereinafter. The Board of Directors shall be granted all of the powers necessary to govern, manage, maintain, repair,

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administer and regulate the Condominium Community and to perform all of the duties required of it.

(b) Contracts, Easements and Other Agreements. The Board of Directors shall have the right to enter into, grant, perform, enforce, cancel and vacate: contracts, easements, licenses, leases, agreements, and/or rights-of-way, for the use by Owners, their Guests, and other persons, concerning the Common Elements.

Any of such contracts, licenses, leases, agreements, easements and/or rights-of-way, shall be upon such terms and conditions as may be agreed to from time to time by the Board of Directors, without the necessity of the consent thereto, or joinder therein by the Owners or First Mortgagees.

(c) Other Association Functions. The Association may undertake any activity, function or service for the benefit of or to further the interests of all, some or any Members on a self-supporting, Special Assessment or Common Expense Assessment basis.

(d) Implied Rights. The Board of Directors shall have and may exercise any right or privilege given to it expressly by this Declaration, or reasonably to be implied from the provisions of this Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

4.14 Certain Rights and Obligations of the Declarant and Participating Builder. So long as there are unsold Units within the Condominium Community owned by the Declarant or Participating Builder, the Declarant and Participating Builder shall enjoy the same rights and assumes the same duties as they relate to each individual unsold Unit.

ARTICLE FIVE: ASSESSMENTS

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5.1 Obligation. Each Owner, including Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees and shall be personally obligated to pay to the Association (a) Common Expense Assessments, (b) Special Assessments, (c) Fines, (d) Individual Assessments, and (e) Costs of Enforcement, which shall be a continuing lien upon the Unit against which each such Assessment is levied.

The obligation for such payments by each Owner to the Association is an independent personal covenant with all amounts due, from time to time, payable in full when due without notice or demand and without setoff or deduction. All Owners of each Unit shall be jointly and severally liable to the Association for the payment of all Assessments and Costs of Enforcement attributable to their Unit.

The personal obligation for delinquent assessment shall not pass to such Owner's successors in title unless expressly assumed by them.

No Owner may waive or otherwise escape liability for the Common Expense Assessment provided for herein by the non-use of the Common Elements or the abandonment of his or her Unit.

The omission or failure of the Board of Directors to levy the Common Expense Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

5.2 Purpose of the Assessments. The Common Expense Assessment shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Condominium Community and the Members of the Association. Such purposes shall include but not be limited to the improvement, repair, maintenance, reconstruction and insuring of the Common Elements, and any other purpose reasonable, necessary or incidental to such purposes.

Such Assessment shall include the establishment and maintenance of a reserve fund for the improvement, maintenance, reconstruction, and repair of the Common Elements on a periodic basis, provided, however, that such assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital improvements.

5.3 Date of Commencement of the Common Expense Assessment. The Common Expense Assessment shall commence as to all Units no later than sixty days after the first Unit is conveyed to an Owner other than the Declarant or Participating Builder.

Until the commencement of the collection of the Common Expense Assessments, the Declarant and Participating Builder shall pay all of the expenses incurred and paid for by the Association on a pro rata basis based on the number of Units owned by each within the Condominium Community.

5.4 Levy of Assessments.

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(a) Common Expense Assessments. Common Expense Assessments shall be levied on all Units based upon a budget of the Association's cash requirements. The Common Expense Assessment Liability shall be allocated among the Units in accordance with that Unit's Common Expense Assessment Liability as set forth in Paragraph 1.3 hereof, and shall commence in accordance with Paragraph 5.3 hereof.

(b) Individual Assessments. The Board of Directors shall have the right to individually levy any Owner or Owners amounts as provided for by this Declaration, to include but not be limited to, charges levied under Paragraphs 2.14, 2.15, 3.6, 6.3, 6.5, 6.10, 7.2, 7.6, 8.3 and 9.1 thereof.

No Individual Assessment shall be levied until the Owner or Owners to be charged have been given a Notice and Hearing as provided for in the Bylaws of the Association. Individual Assessments shall be collected as part of the Cost of Enforcement.

Individual Assessments may be levied at any time as required and are exempt from any voting requirements by the membership required for other assessments called for under the Declaration.

(c) Fines. The Board of Directors of the Association shall have the right to levy a Fine against an Owner or Owners for each violation of this Declaration, the Bylaws, the Articles and the Rules and Regulations of the Association. No such Fine shall be levied until the Owner or Owners to be charged have been given a Notice and Hearing as provided for in the Bylaws of the Association.

Fines may be levied in a reasonable amount as determined from time to time by the Board of Directors in its discretion and uniformly applied. Fines shall be collected as part of the Costs of Enforcement. Fines may be levied at any time as required and are exempt from any voting requirements by the membership required for other assessments called for under the Declaration.

(d) Special Assessments. In addition to the other Assessments authorized herein, the Board of Directors, subject to the limitations set forth below, may levy a Special Assessment for the purpose of defraying, in whole or in part, any unexpected expense to include but not be limited to, the cost of any construction, reconstruction, improvement, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property relating thereto, or for the funding of any operating deficit incurred by the Association provided that any such assessment shall have the approval of Owners to whom at least sixty-seven percent of the votes in the Association are allocated, who are voting in person or by proxy at a meeting duly called for this purpose.

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Any such Special Assessment shall be levied against each Unit in accordance with that Unit's Common Expense Assessment Liability determined in accordance with Paragraph 1.3 hereof. Notwithstanding the foregoing, Special Assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital improvements.

Written notice of any meeting called for the purpose of making a Special Assessment shall be sent to all Owners not less than fourteen days nor more than sixty days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies to whom at least sixty percent of the votes in the Association are allocated shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

If the Condominium Community has been or may be approved by the Federal Housing Administration and/or Veterans Administration, then until the termination of the Period of Declarant Control in accordance with Paragraph 4.7 hereof, all Special Assessments for capital improvements in addition to the approval of the Owners as required above will require the written consent of the Veterans Administration and/or the Federal Housing Administration.

5.5 Due Date. Fines and Individual Assessments shall be due and payable as established by the Board of Directors.

Common Expense Assessments shall be levied on an annual basis and shall be due and payable in installments in advance, provided that the first Assessment levied shall be adjusted to reflect the time remaining in the first Association's fiscal year. Any Owner purchasing a Unit between annual due dates shall pay a prorated share.

Special Assessments shall be due and payable as established by the Board but may be payable on an installment basis as determined by the Board.

Written notice of all Assessments shall be sent to each Owner subject thereto specifying the type of Assessment, the amount and the date such Assessment is due.

5.6 Remedies for Nonpayment of Assessments. If any Assessment (to include Costs of Enforcement) is not fully paid within fifteen days after the same becomes due and payable, then:

(a) interest shall accrue at the default rate set by the Board of Directors on any amount of the Assessment in default accruing from the due date until date of payment, and the Board may assess a Late Fee in an amount as determined in the Board's discretion. In addition, the Board may:

- (i) accelerate and declare immediately due and payable all unpaid installments of the Assessment payable for the balance of the fiscal year during which such default occurred;

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- (ii) bring an action at law against any Owner personally obligated to pay the Assessment and obtain a judgment for the amounts due; and
- (iii) proceed to foreclose its lien against the Unit pursuant to the power of sale granted to the Association by this Declaration in the manner and form provided by Colorado law for foreclosure of real estate mortgages;
- (iv) suspend the utility service to a delinquent Owner's Unit.

An action at law or in equity by the Association against an Owner to recover a judgment for unpaid Assessments may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments.

5.7 Assessment Lien. The Association is hereby granted an Assessment Lien against each Unit for any Assessment levied by the Board of Directors and for Costs of Enforcement when the Unit Owner fails to pay as required by the Declaration. All Costs of Enforcement incurred pursuant to this Declaration are enforceable as Assessments. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due.

The Association's lien on a Unit for Assessments shall be superior to all other liens and encumbrances except the following:

- (a) liens and encumbrances recorded prior to the recording of this Declaration; and
- (b) real property ad valorem taxes and special assessment liens duly imposed by Colorado governmental or political subdivision or special taxing districts, or any other liens made superior by statute; and
- (c) the lien of any loan evidenced by a first deed of trust or mortgage, including a mortgage and any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not, except to the extent the Act grants priority for Assessments to the Association.

The Act does not affect the priority of mechanic's or materialmen's liens.

Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for Assessments under this Article is required. However, the Board of Directors may prepare, and record in the Office of the County Clerk and Recorder, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Unit, and a description of the Unit. If a lien is filed, the cost thereof shall be considered a Cost of Enforcement.

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Sale or transfer of any Unit shall not affect the lien for said Assessments except that sale or transfer of any Unit pursuant to foreclosure of any first deed of trust or mortgage, or any proceeding in lieu thereof, including deed in lieu of foreclosure, shall only extinguish the Assessment Lien only to the extent provided by Colorado law. No such sale or deed in lieu of foreclosure shall relieve any Owner from continuing personal liability for any Assessment thereafter becoming due, nor from the lien thereof.

Any First Mortgagee who acquires title to a Unit by virtue of foreclosing a first deed of trust or mortgage or by virtue of a deed in lieu of foreclosure will take the Unit free of any claims for unpaid Assessments and Costs of Enforcement against that Unit which have accrued prior to the time such First Mortgagee acquires title to the Unit, except to the extent the Act grants lien priority for Assessments of the Association.

In any action by the Association to collect Assessments and Costs of Enforcement or to foreclose a lien for unpaid Assessments, the court may appoint a receiver for the Owner to collect all sums alleged to be due from the Owner prior to or during the pending of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Common Expense Assessments and Costs of Enforcement. The rights of the Association shall be expressly subordinate to the rights of any First Mortgagee of a Unit under any assignment of rents given in connection with a first deed of trust or mortgage.

The Assessment Lien hereby given shall also be a lien upon all of the rents and profits of the encumbered Unit; provided, however, the lien shall be subject and subordinate to the rights of any First Mortgagee of a Unit under any assignment of rents given in connection with a first deed of trust or mortgage. Without prejudice to any other right or remedy, the Association may exercise its lien rights to rents and profits by delivering a Notice of Exercise to the occupant or any payor of rents and profits, and thereafter shall be entitled to collect all such rents and profits to the extent of any delinquency.

The Association's lien on a Unit for Assessments and Costs of Enforcement 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 a Unit subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment lien.

5.8 Assignment of Assessments. The Board of Directors shall have the unrestricted right to assign its right to receive Common Expense Assessments and other future income, either as security for obligations of the Association or otherwise, on the condition that any such assignment is approved in writing by Owners to which at least eighty percent of the votes in the Association are allocated, including eighty percent of the votes allocated to Units not owned by the Declarant.

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5.9 Surplus Funds. Any surplus funds of the Association remaining at the close of the Association's fiscal year after payment of the Common Expenses and funding the Reserve Fund shall be retained by the Association as unallocated reserves and need not be credited to the Owners to reduce their future Common Expense Assessment Liability.

5.10 Working Capital Fund. At the closing of the initial sale of a Unit to an Owner other than the Declarant or Participating Builder, a one time non-refundable contribution shall be made by such Owner to the Working Capital Fund of the Association in an amount equal to two months' Common Expense Assessment. Said contribution shall be collected and transferred to the Association at the time of closing of the sale by Declarant or Participating Builder of each Unit and shall, until used by the Association, be maintained in a segregated account with other such working capital funds for the use and benefit of the Association to cover the costs of the initial period of the Association's operation, including, without limitation, to meet unforeseen expenditures or to purchase additional equipment, property or services.

Such contribution to the Working Capital Fund shall not relieve an Owner from making regular payments of Assessments as the same become due. Upon the later sale or transfer of his or her Unit, an Owner shall be entitled to a credit from his or her transferee, but shall NOT BE ENTITLED to a credit from the Association for the aforesaid contribution.

The Declarant or Participating Builder is prohibited from using the Working Capital Fund to defray any of its expenses, reserve contributions or construction costs, or to make up any budget deficits while it has control of the Association.

5.11 Certificate of Assessment Status. The Association shall furnish to an Owner or such Owner's First Mortgagee upon written request by certified mail, first class postage prepaid, return receipt requested, to the Association's Registered Agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit.

The statement shall be furnished within fourteen business days after receipt of the request and is binding upon the Association, the Board of Directors, and every Owner. If no statement is furnished to the Owner or First Mortgagee, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a priority lien upon the Unit for unpaid Assessments which were due as of the date of the request.

5.12 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration. The Declarant is exempt from the requirements of this Paragraph 5.12.

ARTICLE SIX: RESTRICTIVE COVENANTS AND OBLIGATIONS

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The strict application of the limitations and restrictions herein contained in any specific case may be modified or waived in whole or in part by the Board of Directors if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

6.1 Use and Occupancy of the Condominium Residences. Each Owner shall be entitled to the exclusive ownership and possession of his or her Condominium Residence. Subject to the Development and Special Declarant Rights reserved by the Declarant in ARTICLE TEN hereof and the exemptions for the Declarant set forth in Paragraph 6.14 hereof, no Condominium Residence within the Condominium Community shall be used for any purpose other than single-family residential purposes as generally defined or for a home occupation so long as (a) such occupation is allowed by the local Zoning Codes, (b) employs no outside employees, and (c) requires no signage or parking, provided, however, uses described as "day care" or "child care" facilities (licensed or unlicensed) are expressly prohibited unless approved by the Board of Directors.

6.2 Use of the Common Elements. Each Owner and his or her Guests may use the appurtenant Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Board of Directors may adopt Rules and Regulations governing the use of the Common Elements, but such Rules and Regulations shall be uniform and nondiscriminatory. Each Owner, by the acceptance of his or her deed or other instrument of conveyance or assignment and such Owner's Guests occupying the Residence agree to be bound by any such adopted Rules and Regulations.

There shall be no obstruction of the Common Elements, nor shall anything be stored on any part of the Common Elements without the prior written consent of the Board of Directors. Nothing shall be altered, constructed on, or removed from the Common Elements except upon the prior written consent of the Board of Directors of the Association.

6.3 Pets Within the Condominium Community. No animals, birds, poultry, reptiles or insects of any kind, shall be raised, bred, kept or boarded in or on any portion of the Condominium Community; except that dogs, cats or other customary household pets may be allowed in Condominium Residences occupied by Owners (not renters) so long as they are not raised, bred or maintained for any commercial purpose, and are not kept in such number or in such manner as to create a nuisance or inconvenience to any residents of the Condominium Community. Qualified service animals are permitted for renters with disabilities.

The Board of Directors shall have the right and authority to determine in its sole discretion that the 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, or that an Owner is otherwise in violation of the provisions of this Paragraph. The Directors shall take such action or actions as it deems reasonably necessary to correct the violation to include after Notice and Hearing, directing permanent removal of the pet or pets from the Condominium Community.

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Household pets shall not be allowed to run at large within the Condominium Community, but shall at all times be under the control of such pet's Owner and such pets shall not be allowed to litter the Common Elements. Dogs shall be on a leash while on the Common Elements.

Household pets shall not be left alone on any deck or balcony at any time. The Board of Directors is granted the authority to enforce the provisions of this Paragraph by the levy of Fines against the Owner in accordance with Paragraph 5.4(c) hereof.

Reimbursement for damages caused by such pets and costs incurred by the Association, to include attorneys' fees and costs, in the removal of a pet or pets from the Condominium Community or incurred by the Association in cleanup after such pets may be levied against such pet's Owner as an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

6.4 Nuisances. No noxious or offensive activity shall be carried on within the Condominium Community, nor shall anything be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood or detract from its value as an attractive residential community. Habitually barking, howling or yelping dogs shall be deemed a nuisance.

6.5 Vehicular Parking, Storage and Maintenance. No house trailer, camping trailer, horse trailer, camper, camper shells, boat trailer, hauling trailer, boat or boat accessories, truck larger than one ton, recreational vehicle or equipment, mobile home, or commercial vehicle may be parked or stored anywhere within the Condominium Community so they are visible from neighboring Units or from the street for a period of more than three days except in emergencies or as a temporary expedience. This applies to vehicles referred to above even if they are licensed by the State of Colorado or any other jurisdiction as "passenger vehicles". No emergency or temporary parking or storage shall continue for more than seventy-two hours.

Automobile and/or truck parking will be subject to regulations and restrictions by the Board of Directors. Parking is not allowed on landscaped or lawn areas.

No abandoned, unlicensed, wrecked or inoperable vehicles of any kind shall be stored or parked within the Condominium Community except in emergencies. Any "abandoned or inoperable vehicle" shall be defined as any of the vehicles listed above or any other kind of passenger vehicle which has not been driven under its own propulsion for a period of one week or longer, or which does not have installed within it an operable propulsion system; provided however, that any vehicle belonging to any Owner which is otherwise permitted will not be deemed to be abandoned while the Owner is ill or out of town. The Board of Directors shall have the right to remove and store a vehicle in violation of this Paragraph, the expenses of which shall be levied against the Owner of the vehicle by an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

Vehicle maintenance shall be allowed within the Condominium Community only within the Garage Space.

6.6 No Unsightliness. No activity shall be conducted on any part of the Condominium Community which is or might be unsafe, unsightly, unhealthy or hazardous to any person. Without limiting the generality of the foregoing, nothing shall be kept or stored on or in the Common Elements, including areas which are Limited Common Elements; and nothing shall be placed on or in windows or doors of Condominium Residences, which would or might create unsightly appearance.

Patios shall not be used for storage. No activity shall be conducted on any part of the Condominium Community which is or might be unsafe or hazardous to any person. All rubbish, trash or garbage shall be regularly removed from the Condominium Community and shall not be allowed to accumulate thereon.

6.7 Prohibition of Certain Activities. Nothing shall be done or kept in any Residence or in the Common Elements or any part thereof which would result in the cancellation of the insurance on the Condominium Community or increase the rate of the insurance on the Condominium Community over what the Association, but for such activity, would pay, without the prior written consent of the Board of Directors.

Nothing shall be done or kept in any Residence or in the Common Elements which would be in violation of any statute, ordinance, regulations, or other validly imposed requirement of any governmental body. No noxious, destructive or offensive activity shall be carried on in any Residence or in the Common Elements, nor shall anything be done therein which may be or may become an annoyance or nuisance to others. No sound or vibration shall be emitted on any part of the Condominium Community which is unreasonably loud or annoying. Except for what is currently existing, no outside hose bibs will be installed any place within the Condominium Community. Attic and crawl spaces will not be used for storage of any kind.

6.8 Antennas and Other Exterior Equipment. No exterior equipment or fixtures, including, but not limited to, the following shall be permitted without the written consent of the Board of Directors: radio, television, or other types of antennas and satellite dishes; air conditioning units, swamp coolers, or other ventilating equipment; and any type or kind of wiring, ducts, or pipes, except for satellite dishes which do not exceed 18" in diameter and can be installed on an Owner's "Exclusive Use Area" (the floor of a patio). Installation of antennas on a Limited Common Element does not convert the Limited Common Element to individual property.

6.9 Restrictions on Signs. No signs or advertising of any nature shall be erected or maintained on any part of the Condominium Community without prior written consent of the Board of Directors. The Board shall permit the placing of (a) at least one sign of reasonable size and dignified form to identify the Condominium Community and the Units therein, and (b) one sign of dignified form may be placed inside an Owner's Residence for purposes of advertising the Unit being for rent, sale or lease.

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6.10 Owner Caused Damages. If, due to the act or neglect of an Owner or such Owner's Guests, loss or damage shall be caused to the Common Elements, such Owner shall be liable and responsible for the payment of same. The amount of such loss or damage, together with costs of collection and reasonable attorneys' fees and costs, if necessary, may be collected by the Board of Directors from such Owner as an Individual Assessment against such Owner in accordance with Paragraph 5.4(b) hereof.

6.11 Lease of a Condominium Residence. With the exception of a First Mortgagee who has acquired title to a Unit by virtue of foreclosing a first deed of trust or mortgage or by virtue of a deed in lieu of foreclosure, an Owner shall have the right to lease his or her Condominium Residence upon such terms and conditions as the Owner may deem advisable, subject to the following:

(a) any such lease or rental agreement must be in compliance with applicable local, state and federal laws;

(b) no Owner may lease or rent (i) less than his or her entire Condominium Residence; (ii) for transient or hotel purposes; or (iii) for a term of less than six months;

(c) any lease or rental agreement shall be in writing and shall provide that the lease or rental agreement is subject to the terms of this Declaration, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations of the Association;

(d) such lease or rental agreement shall state that the failure of the lessee or renter to comply with the terms of the Declaration, Articles of Incorporation, Bylaws of the Association and the Rules and Regulations of the Association shall constitute a default and such default shall be enforceable by either the Board of Directors or the lessor, or by both of them to include, but not be limited to, eviction of the lessee from the Residence; and

(e) the Board of Directors shall be furnished with a copy of the lease or rental agreement upon its request.

6.12 Waiver of Summary Abatement. The Declarant and the Association waives the right to use summary abatement or similar means to enforce the restrictions herein contained. Judicial proceedings must be instituted before any items of construction can be altered or demolished.

6.13 Exemptions for the Declarant and Participating Builder. For so long as the Declarant or Participating Builder own a Unit within the Condominium Community, the Declarant and Participating Builder shall be exempt from the provisions of this ARTICLE SIX to the extent that it impedes the Declarant's or Participating Builder's development, construction, marketing, sales or leasing activities.

The Association, acting through its Board of Directors, shall have the standing and power to enforce all of the above Restrictive Covenants and Obligations.

ARTICLE SEVEN: INSURANCE/CONDEMNATION

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7.1 Authority to Purchase/General Requirements. All insurance policies relating to the Common Elements and Limited Common Elements shall be purchased by the Board of Directors. The Board of Directors shall promptly furnish to each Owner and/or such Owner's First Mortgagee requesting same, written notice of the procurement of, subsequent changes in, renewals of, or termination of insurance coverages obtained on behalf of the Association.

THE OWNER OF AN OWNER-OCCUPIED CONDOMINIUM UNIT SHALL PURCHASE A CONDOMINIUM UNIT OWNER'S POLICY (HO-6) OR ITS EQUIVALENT FOR ALL OF SUCH OWNER'S PERSONAL PROPERTY, AND HOUSEHOLD GOODS LOCATED WITHIN SUCH OWNER'S RESIDENCE. THE POLICY SHALL ALSO INSURE ANY AND ALL IMPROVEMENTS OR BETTERMENTS MADE TO THE RESIDENCE'S INTERIOR UNFINISHED SURFACES OF THE PERIMETER WALLS, FLOORS AND CEILINGS BY CURRENT OWNER, TOGETHER WITH PROVIDING PERSONAL LIABILITY COVERAGE. AN OWNER, EXCEPT FOR DECLARANT, OF A NON-OWNER-OCCUPIED CONDOMINIUM RESIDENCE, SHALL PURCHASE A CONDOMINIUM OWNER'S RENTAL LIABILITY POLICY OR ITS EQUIVALENT.

THE ASSOCIATION WILL NOT PROVIDE SUCH COVERAGES IN ITS MASTER POLICIES.

The Board of Directors 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 Association, Owner or First Mortgagee, or (b) by the terms of carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policyholders or members; or (c) the policy includes any limited clauses (other than insurance conditions) which could prevent Owners or First Mortgagees from collecting insurance proceeds.

Each such policy shall provide that:

- (a) The insurer to the extent possible waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the Managing Agent or the Owners, and their respective agents, employees, Guests and, in the case of the Owners, the members of their households.
- (b) Such policy shall not be canceled, invalidated or suspended due to the conduct of any Owner or his or her Guests or of any officer or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board cure the defect and such defect is not cured within forty-five days after such demand;
- (c) Such policy, including any fidelity insurance of the Association referred to in Paragraph 7.4 hereof may not be canceled, substantially modified or not renewed (including cancellation for

nonpayment of premium) without at least thirty days' prior written notice to the Board of Directors and each Owner and First Mortgagee to whom a certificate of insurance has been issued, at their last known address;

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- (d) Such policy must provide that no assessment may be made against a First Mortgagee and that any assessment made against others shall not become a lien on a Unit superior to the lien of a First Mortgagee except as provided for in the Act;
- (e) The Declarant and Participating Builder, so long as Declarant or Participating Builder shall own any Unit, shall be protected by all such policies as an Owner, if such coverage is available;

All policies of insurance shall be written by reputable companies duly authorized and licensed to do business in the State of Colorado with an A.M. Best's rating of "A" or better.

All insurance policies shall contain the standard mortgagee clause or equivalent endorsement (without contribution) in which it appropriately names the First Mortgagee in the policy its beneficiary.

7.2 Condominium Insurance. The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of condominium insurance with sprinkler leakage (if applicable) and debris removal, insuring all the Common Elements and Limited Common Elements located within the Condominium Community.

Such insurance shall also include, among other things, all fixtures, installations or additions comprising a part of the individual Condominium Units within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the Condominium Unit initially installed or replacements thereof made in accordance with the original plans and specifications, or any additions or improvements made by previous Owners.

Such insurance shall at all times represent one hundred percent of the current replacement cost based on the most recent appraisal of the Common Elements, Limited Common Elements and the attached fixtures, installations and additions comprising a part of the Condominium Residences. The current replacement cost shall not include values for land, foundation, excavation and other items normally excluded therefrom and shall be without deduction for depreciation and with no provision for co-insurance. If available, the Master Policy shall be endorsed with a "Guaranteed Replacement Cost Endorsement".

The Board of Directors shall review at least annually all of its insurance policies in order to insure that the coverages contained in the policies are sufficient. The Board of Directors shall consistent with good business practices, and at reasonable intervals obtain a written appraisal for insurance purposes, showing that the insurance represents one hundred percent of the current replacement cost as defined above.

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Such policies shall also provide:

- (a) The following endorsements or their equivalent: No Control Endorsement, Contingent Liability from Operation of Building Laws or Codes Endorsement, Cost of Demolition Endorsement, Increased Cost of Construction Endorsement Agreed Amount Endorsement, and Inflation Guard Endorsement, if available.
- (b) That any "no other insurance" clause expressly exclude individual Owners' policies from its operation so that the property insurance policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or their First Mortgagees, unless otherwise required by law.

A certificate, together with proof of payment of premiums, shall be delivered by the insurer to any Owner or First Mortgagee requesting the same, at least thirty days prior to expiration of the then current policy.

The insurance shall be carried naming the Association as the owner and beneficiary thereof for the use and benefit of the individual Owners and shall provide a standard noncontributory mortgage clause in favor of each First Mortgagee. Any loss covered by the policies carried under this Article shall be adjusted exclusively by the Board of Directors and provide that all claims are to be settled on a replacement cost basis.

The Association shall hold any insurance proceeds received in trust for the Association, the Owners and for the holders of their Security Interests as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements in accordance with ARTICLE EIGHT hereof. Owners and holders of Security Interests are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements have been repaired and fully restored or the Condominium Community is terminated. No Owner or any other party shall be entitled to priority over First Mortgagees with respect to any distribution of the insurance proceeds.

Title to each Unit within the Condominium Community is declared and expressly made subject to the terms and conditions hereto, and acceptance by the grantee of a deed or other instrument of conveyance from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners constitute and appoint the Board of Directors their true and lawful attorney in their name, place and stead for the purpose of dealing with the Condominium Community upon its damage or destruction as is hereinafter provided.

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As attorney-in-fact, the Board of Directors of the Association shall have full and complete authorization, power and right to make, execute and deliver any contract or any other instrument with respect to the interest of any Owner which is necessary and appropriate to exercise the powers herein granted.

The deductible, if any, on such insurance policy shall be as the Directors determine to be consistent with good business practice and which shall be consistent with the requirements of the First Mortgagees, not to exceed, however, Five Thousand Dollars or one percent of the face amount of the policy whichever is less. Any loss falling within the deductible portion of a policy shall be paid by the Association. Funds to cover the deductible amounts shall be included in the Association's Reserve Funds and be so designated.

The Board shall have the authority to levy, after Notice and Hearing, against Owners causing such loss for the reimbursement of all deductibles paid by the Association as an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

7.3 Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including eviction, libel, slander, false arrest and invasion of privacy) and property damage insurance providing coverage for any occurrences happening on the Common Elements and Limited Common Elements.

Such coverage under this policy shall include, without limitation, the legal liability of the insureds for property damage, bodily injuries and deaths of persons that result from the operation, maintenance or use of the Common Elements and Limited Common Elements and the legal liability arising out of lawsuits relating to employment contracts in which the Association is a party.

Such insurance shall be issued on a comprehensive liability basis. Additional coverages may be required to include protection against such other risks as are customarily covered with respect to the Common Elements and Limited Common Elements similar in construction, location and use, including, but not limited to, Host Liquor Liability coverage with respect to events sponsored by the Association, Comprehensive Automobile Liability Insurance, and Severability of Interest Endorsement.

IN THE EVENT THE ASSOCIATION HOSTS A FUNCTION AND CHARGES FOR FOOD OR DRINK AND LIQUOR IS SERVED, THERE WILL BE NO HOST LIQUOR LIABILITY COVERAGE FOR THE ASSOCIATION. IF MONEY IS CHARGED, A LIQUOR LIABILITY POLICY WOULD BE NEEDED TO GIVE COVERAGE TO THE ASSOCIATION.

The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

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7.4 Fidelity Insurance. The Board of Directors shall obtain and maintain, to the extent reasonably available, fidelity insurance coverage for any Owner or Association employee who either handles or is responsible for funds held or administered by the Association. The insurance shall name the Association as insured, and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

The fidelity insurance policy should cover the maximum funds (including Reserve Funds) that will be in the custody of the Association or its management agent at any time while the policy is in force; provided however, in any event the aggregate amount of such insurance shall be not less than a sum equal to three months' aggregate Assessments on all Units, plus Reserve Funds.

The policy must include a provision that calls for ten days' written notice to the Association before the policy can be canceled or substantially modified for any reason. The same notice must also be given to each servicer that services a Fannie Mae-owned or securitized mortgage in the Condominium Community.

A management agent that handles funds for the Association should be covered by its own fidelity insurance policy which must provide the same coverage required of the Association.

7.5 Additional Insurance.

(a) If the area where the Condominium Community is located has been identified by the Secretary of Housing and Urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area, flood insurance for the Condominium Community shall be maintained providing coverage equivalent to that provided under the National Flood Insurance Program in an amount of one hundred percent of the Condominium Community's current replacement cost or the maximum amount available.

The Association must also maintain coverage for all Common Elements and Limited Common Elements for one hundred percent of their replacement cost as defined above. A separate Association endorsement is required if not already a part of the policy.

(b) Adequate Directors and Officers liability insurance, if available, and if deemed consistent with good business practices, for errors and omissions on all Directors and Officers to be written in an amount which the Board of Directors deems adequate;

(c) Worker's Compensation and Employer's Liability Insurance and all other similar insurance with respect to employees of the Association in the amount and in the forms now or hereafter acquired by law;

(d) Such other insurance of a similar or dissimilar nature, as the Board of Directors shall deem appropriate with respect to the Condominium Community.

7.6 Payment of Insurance Premiums. Insurance premiums for insurance carried by the Association shall be paid for by the Association as a Common Expense.

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In the event there are not sufficient funds generated from the Common Expense Assessment to cover the cost of the insurance provided for above, then the deficiency shall be chargeable to each Owner by an Individual Assessment in accordance with Paragraph 5.4(b) hereof and such assessment shall be exempt from any special voting requirements of the Membership. Such assessment shall be prorated among Owners in accordance with the Owners' Common Expense Liability set forth in Paragraph 1.3 hereof.

7.7 Separate Insurance. No Owner shall be entitled to exercise his or her right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any insurance policy maintained by the Board or to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by an Owner. All such policies shall contain waivers of subrogation. No Owner shall obtain separate insurance policies except as provided in this Paragraph.

7.8 Damage to Property. Any portion of the Condominium Community that is damaged or destroyed and for which insurance is carried by the Association, shall be repaired or reconstructed by the Board of Directors in accordance with ARTICLE EIGHT hereof.

7.9 Condemnation. The Board of Directors, as their attorney-in-fact, shall represent the Owners in any negotiations, settlements and/or agreements with the condemning authorities for the condemnation of any part of the Common Elements or Limited Common Elements.

All compensation, damage or other proceeds therefrom (Condemnation Award) shall be payable to the Association as attorney-in-fact to be held in trust for the use and benefit of the Owners and holders of their Security Interests as their interests may appear. No Owner or any other party shall be entitled to priority over First Mortgagees with respect to any distribution of the Condemnation Award.

Upon the complete condemnation of a Unit, all of the allocated interests of that Unit shall be reallocated as if that Unit did not exist and the Board of Directors shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocations without the necessity of the consent thereto or joinder therein by the Owners or First Mortgagees.

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ARTICLE EIGHT: REPAIR AND RECONSTRUCTION UPON DAMAGE OR DESTRUCTION

8.1 Duty to Repair and Reconstruct. Any portion of the Common Elements which is covered by insurance carried by the Association that is damaged or destroyed must be repaired or reconstructed promptly by the Board of Directors.

8.2 Plans. The Common Elements shall be repaired and restored in accordance with the original plans and specifications.

8.3 Repair and Reconstruction by the Association. The Board of Directors, as their attorney-in-fact, shall represent the Owners in all proceedings, negotiations and agreements with the insurance companies for the settlement of any insurance claim for any part of the damaged Common Elements.

All insurance proceeds shall be payable to the Association as attorney-in-fact to be held in trust for the use and benefit of the Owners and the holders of their Security Interests as they may appear. No Owner or any other party shall be entitled to priority over First Mortgagees with respect to any distribution of insurance proceeds.

If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damage, the Board of Directors shall levy an Individual Assessment in the aggregate amount of such insufficiency pursuant to Paragraph 5.4(b) hereof, and shall proceed to make such repairs or reconstruction. The amount of each Owner's Individual Assessment shall be such Owner's Common Expense Assessment Liability determined in accordance with Paragraph 1.3 hereof.

ARTICLE NINE: MAINTENANCE, REPAIR AND RECONSTRUCTION

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9.1 By the Association. The Board of Directors shall provide for the repair, maintenance and/or reconstruction of all of the Common Elements and Limited Common Elements. Without limiting the generality of the foregoing and by way of illustration, the Board shall keep the Common Elements in safe, attractive, clean, functional and good repair.

The maintenance obligation on the part of the Association shall apply to such maintenance required by ordinary wear and tear and shall not apply to maintenance, repair and/or reconstruction resulting from willful neglect or destruction.

In the event such repair, maintenance and/or reconstruction is resulting from the willful neglect or destruction by an Owner or such Owner's Guests, the Board of Directors shall have the right to charge the costs of such repair, maintenance and/or replacement, to such Owner by an Individual Assessment in accordance with Paragraph 5.4(b) hereof.

Determination of whether such repair, maintenance and/or reconstruction is the obligation of the Association and the determination of when, the magnitude and the manner of the above described maintenance, repair and/or reconstruction shall rest solely with the Board of Directors, which will also have the sole responsibility for determining the kind and type of materials used in such repair and maintenance.

Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Paragraph 9.1 shall be made by the Board of Directors and shall be final.

9.2 By the Owner.

Each Owner shall keep his or her Residence and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and neat condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance and condition of his or her Residence.

The Owner of any Unit to which a Limited Common Element is appurtenant shall keep it in a clean and neat condition.

In addition, each Owner shall be responsible for all damage to any other Residences or to the Common Elements including the Limited Common Elements resulting from his or her failure or negligence to make any of the repairs required by this Paragraph. Each Owner shall perform his or her responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors any defect or need for repairs for which the Association is responsible.

Access to all of the Residences within the Condominium Community to perform the said repair, maintenance and/or reconstruction by the Board of Directors, its agents and employees shall be made pursuant to the maintenance easement granted in accordance with Paragraph 3.6 hereof.

9.3 Schedule of Maintenance Responsibilities. Notwithstanding the general provisions for maintenance and repair set forth above, specific maintenance and repair responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Schedule of Maintenance and Repair Responsibilities as shown on the attached Exhibit D.

9.4 Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be done with contemporary building materials and equipment.

9.5 Additions, Alterations or Improvements by the Unit Owners (Architectural Control). No Owner shall (a) make any structural addition, or alteration or improvement in or to his or her Unit, (b) paint or alter the exterior of his or her Unit, including the doors, windows and light fixtures, or (c) paint or alter the exterior of any Building, without the prior written consent of the Board of Directors.

The Board of Directors shall be obligated to answer any written request by an Owner for approval of a proposed addition, alteration or improvement within sixty days from the date of the next regularly scheduled meeting of the Board of Directors after receipt of such request, and failure to do so within the stipulated time shall constitute approval by the Board of Directors of such proposed improvement.

ARTICLE TEN: DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS 49

10.1 Reservation. The Declarant reserves the following Development and Special Declarant Rights ("Declarant Rights") which may be exercised, where applicable, anywhere within the Condominium Community:

- (a) To complete the improvements indicated on the Map;
- (b) To exercise any Declarant Rights reserved herein;
- (c) To maintain business/sales offices, parking spaces, management offices, storage areas, nursery, construction yard, signs, advertising and model Residences;
- (d) To maintain signs and advertising on the Common Elements to advertise the Condominium Community;
- (e) To enlarge, without in any way being bound, the Condominium Community in phases from time to time, by adding to the Condominium Community any of the real property described in Exhibit B attached hereto, in accordance with ARTICLE TWELVE hereof;
- (f) To use and to permit others to use easements through the Common Elements as may be reasonably necessary for construction within the Condominium Community, and for the purpose of discharging Declarant's obligations under the Act and this Declaration;
- (g) To appoint or remove any officer of the Association or a member of the Board of Directors during the Period of Declarant control subject to the provisions of Paragraph 4.7 of this Declaration;
- (h) To amend the Declaration and/or the Map in connection with the exercise of any Declarant Rights; and
- (i) To exercise any other Declarant Rights created by any other provisions of this Declaration.

10.2 Rights Transferable. Any Declarant Rights created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the Declarant Rights transferred and recorded in the Office of the County Clerk and Recorder. Such instrument shall be executed by the transferor Declarant and the transferee.

10.3 Limitations. The Declarant Rights shall terminate at the option of the Declarant by its written notice to the Secretary of the Association, but in any event such Declarant Rights shall terminate without further act or deed five years after recording of this Declaration.

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Not more than twenty-eight additional Units may be created under the Development Rights, or the maximum number of Units allowed by any governmental entity having jurisdiction over the Property, pursuant to any development plan for the Property. Declarant shall not be obligated to expand the Condominium Community beyond the number of Units initially submitted to this Declaration.

10.4 Interference with Declarant Rights. Neither the Association nor any Owner may take any action or adopt any rule that will interfere with or diminish any Declarant Rights without the prior written consent of the Declarant.

10.5 Use by Declarant. The exercise of any Declarant Right by Declarant shall not unreasonably interfere with the access, enjoyment or use of any Unit by any Owner nor the access, enjoyment or use of the Common Elements; nor shall any activity be conducted which might be unsafe, unhealthy, or hazardous to any person.

10.6 Models, Sales Offices and Management Offices. Subject to the limitation set forth in Paragraph 10.3 hereof, the Declarant or Participating Builder, their duly authorized agents, representatives and employees may maintain any Residence or Residences owned by the Declarant or Participating Builder as a model Residence or Residences, sales, leasing and/or management office to include, but not be limited to, a sales trailer.

10.7 Declarant's Easements. The Declarant reserves the right to perform warranty work, and repairs and construction work on Units and Common Elements, to store materials in secure areas, and to control and have the right of access to work and repair until completion. All work may be performed by the Declarant without the consent or approval of the Board of Directors.

The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Declarant Rights, whether arising under the Act or reserved in this Article.

10.8 Participating Builder's Easements. The Participating Builder reserves the right to perform warranty work, and repairs and construction work on Units to store materials in secure areas, and to control and have the right of access to work and repair until completion.

10.9 Signs and Marketing. The Declarant reserves the right for Declarant and Participating Builder to post signs and advertising in the Common Elements in order to promote sales of Units so long as the Participating Builder's signs have the prior written approval of the Declarant. Declarant also reserves the right for Declarant and Participating Builder to conduct general sales activities in a manner which will not unreasonably disturb the rights of Owners.

ARTICLE ELEVEN: FIRST MORTGAGEE PROVISIONS 51

The following provisions are for the benefit of holders, insurers, or guarantors of holders of first deeds of trusts or mortgages recorded against Units within the Condominium Community who qualify as an Eligible Mortgagee as defined by Paragraph 1.24 hereof. To the extent applicable, necessary, or proper, the provisions of this ARTICLE ELEVEN apply to both this Declaration and to the Articles and Bylaws of the Association.

11.1 Notices of Action. An Eligible Mortgagee shall be entitled to timely written notice of:

(a) any material condemnation loss or any casualty loss which affects a material portion of the Condominium Community or any Unit in which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgagee;

(b) any default in the performance by an individual borrower of any obligation of the Declaration not cured within sixty days;

(c) any lapse, cancellation, or material modification of any mandatory insurance policy or fidelity bond maintained by the Association;

(d) any proposed action which would require the consent of a specified percentage of Eligible Mortgagees; and

(e) any material judgment rendered against the Association.

11.2 Amendment to Documents/Special Approvals.

(a) The consent of Owners to which at least sixty-seven percent of the votes in the Association are allocated and the consent of fifty-one percent of the Eligible Mortgagees shall be required to add to or amend any material provisions of this Declaration or the Articles or Bylaws of the Association. A change to any of the following would be considered material.

(i) voting rights;

(ii) increase the Common Expense Assessment by more than 25% over the previously levied Common Expense Assessment or assessment liens, or a change in the priority of the assessment liens;

(iii) reduction in the reserves for maintenance, repair and replacement of the Common Elements;

(iv) responsibility for maintenance and repairs;

(v) redefinition of any Unit boundaries;

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- (vi) convertibility of Units into Common Elements or vice versa;
 - (vii) hazard or fidelity insurance requirements;
 - (viii) imposition of any restrictions on the leasing of Units;
 - (ix) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
 - (x) restoration or repair of the Condominium Community (after damage or partial condemnation) in a manner other than that specified in the Project Documents;
 - (xi) any provision that expressly benefits mortgage holders, insurers or guarantors; and
 - (xii) subject to the provisions of ARTICLE TWELVE, (a) the reallocation of interests in the Common Elements or Limited Common Elements or rights to their use; or (b) the expansion or contraction of the Condominium Community; or (c) the addition, annexation or withdrawal of property to or from the Condominium Community.

(b) The Association may not take any of the following actions without the consent of Owners to which at least sixty-seven percent of the votes in the Association are allocated and the approval of at least fifty-one percent of the Eligible Mortgagees:

- (i) reconstruct or repair the Condominium Community after damage due to an insurable hazard or a partial condemnation in a manner other than specified in the Project Documents;
- (ii) merge or consolidate the Condominium Community with any other Condominium Community or subject it to a Master Association. Such action shall also require the written approval from the Federal Housing Administration and/or the Veterans Administration if the Condominium Community has been or may be approved by such agencies;
- (iii) not repair or reconstruct, in the event of substantial destruction, any part of the Common Elements; or
- (iv) alter any partition or the creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), for which only the owners of Units affected and Eligible Mortgagees of those Units need approve the action.

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(c) Any action to terminate the legal status of the Condominium Community after substantial destruction or condemnation occurs must be agreed to by Owners to which at least sixty-seven percent of the votes in the Association are allocated, and by fifty-one percent of the Eligible Mortgagees.

(d) Any action to terminate the legal status of the Condominium Community for reasons other than substantial destruction or condemnation must be agreed to by Owners to which at least sixty-seven percent of the votes in the Association are allocated, and by sixty-seven percent of the Eligible Mortgagees.

11.3 Special FHLMC Provisions. Except as provided by statute or in case of a condemnation or a substantial loss to the Units and/or Common Elements, and unless the consent of sixty-seven percent of the Eligible Mortgagees or Owners (other than Declarant) have given their prior written approval, the Association may not:

- (a) by act or omission seek to abandon or terminate the Condominium Community;
- (b) subject to the provisions of ARTICLE TWELVE hereof, change the pro rata interest or obligations of any Unit in order to levy assessments, allocate distribution of hazard insurance proceeds or condemnation awards or determine the pro rata share of ownership of each Unit in the Common Elements;
- (c) partition or subdivide any Unit;
- (d) seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements by act or omission;

The granting of easements for public utilities or other public purposes consistent with the intended use of the Common Elements is not a transfer within the meaning of this Paragraph 11.3(d); or

- (e) use hazard insurance proceeds for losses to any condominium property (whether Units or Common Elements) for other than the repair, replacement or reconstruction of the condominium property).

11.4 Implied Approval. Implied approval by an Eligible Mortgagee shall be assumed when an Eligible Mortgagee fails to submit a response to any written proposal for an amendment or consent as required herein within thirty days after said Eligible Mortgagee receives proper notice of the proposal, provided this notice was delivered by certified or registered mail with return receipt requested.

11.5 Books and Records. Owners and their mortgagees shall have the right to examine the books and records of the Association at the office of the Association in accordance with the procedure set forth in the Association's Bylaws.

ARTICLE TWELVE: EXPANSION

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12.1 Reservation of Right to Expand. Declarant reserves the right (without in any way being bound) to enlarge the Condominium Community in phases, without the necessity of the consent thereto or the joinder therein by the Owners or First Mortgagees, by submitting to the Condominium Community from time to time a Supplemental Condominium Map and a Supplemental Declaration adding any of the real property to the Condominium Community described on Exhibit B attached hereto.

If the Condominium Community has been or may be approved by the Federal Housing Administration and/or the Veterans Administration, any such addition, expansion or annexation must be according to a General Plan heretofore filed with and approved by the Federal Housing Administration or the Veterans Administration and such addition, expansion or annexation must be supported by the written consent of the Federal Housing Administration or the Veterans Administration, evidence of which may be recorded.

12.2 Supplemental Declarations and Supplemental Condominium Maps. Such expansion must be accomplished by the filing for record by Declarant in the Office of the County Clerk and Recorder a supplement to this Declaration containing a legal description of the new real property, together with a Supplemental Condominium Map. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion so long as each subsequent phase is contiguous to the real property already subject to this Declaration.

All future improvements will be consistent with the initial improvements in structure type and quality of construction and must be substantially completed prior to being brought into the Condominium Community.

12.3 Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically. For example, "Condominium Unit" shall mean the Condominium Units described above plus any additional Condominium Units added by a Supplemental Declaration, and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Condominium Units shall be effective to transfer rights in the Condominium Community as expanded, without additional references to the Supplemental Declaration and the Supplemental Condominium Map.

12.4 Declaration Operative on New Properties. The new real property shall be subject to all the terms and conditions of this Declaration as amended or supplemented, upon the recording by the Declarant in the Office of the County Clerk and Recorder, of a Supplemental Declaration and Supplemental Condominium Map.

12.5 Interests on Enlargement. An Owner at the time of his or her purchase of Condominium Unit which has been brought into the Condominium Community by a Supplemental Declaration shall be a Member of the Association. Such Owner shall be entitled to the same voting privileges as

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those Owners of the initial property brought into the Condominium Community through the original Declaration and shall be subject to the same Assessments. The Assessments for that Phase shall commence for all Owners within that Phase including the Declarant upon the recording of the Supplemental Declaration and Supplemental Condominium Map for that Phase.

Whenever any additional property is brought into the Condominium Community, the Common Expense Assessment Liability and Percentage Ownership Interest in the Common Elements of each Owner after such addition will change and shall be reallocated by the Declarant in accordance with Paragraph 1.3 hereof.

The Supplemental Declaration recorded at the time of expansion shall set forth the new Percentage Ownership Interest and the new Common Expense Assessment Liability of the existing Units and the newly added Units.

12.6 Taxes, Assessments and Other Liens. All taxes and other assessments relating to the real property described in Exhibit B covering any period of time prior to the addition of such property or any portion thereof to the Condominium Community must be paid or otherwise provided for by the Declarant to the satisfaction of all First Mortgagees.

Liens arising out of the construction of improvements in later phases shall not extend into prior phases and shall not adversely affect the rights of Owners or the priority of first mortgages and deeds of trust on any Unit constructed in a prior phase.

12.7 Project Treated as a Whole. For all purposes hereof, each of the Phases of the Condominium Community after the recording of the Supplemental Map and Supplemental Declaration submitting each Phase to the Condominium Community, shall be treated as a part of the Condominium Community developed as a whole from the beginning, except to the extent expressly otherwise provided for herein. It is the express purpose hereof to provide that from and after the date of the submission of a Phase of the Condominium Community in accordance with the above, that such Phase shall be treated as though such Phase had been owned and occupied by the Owners thereof as a single undivided Condominium Community.

12.8 Termination of the Right of Expansion. The right of expansion shall terminate at the option of the Declarant by its written notice to the Secretary of the Association, but in any event such right of expansion shall terminate without further act or deed in accordance with the limitations set forth in Paragraph 10.3 hereof.

ARTICLE THIRTEEN: MANDATORY DISPUTE RESOLUTION 56

13.1 Statement of Clarification. Without modifying or restricting the scope of this Article and as a statement of clarification only, nothing contained in this Article is intended to prevent the parties from attempting to resolve any differences between them through the normal course of business and communications. It is only when the parties are unable to resolve their differences and they wish to proceed further through the assertion of a "Claim" as defined herein, that the Mandatory Dispute Resolution provisions contained in this Article are activated.

13.2 Alternative Method for Resolving Disputes. Declarant; the Association, its officers and directors; all Owners; design professionals; builder including any of their subcontractors and suppliers; and any Person not otherwise subject to this Declaration but who agrees to submit to this Article (each such entity being referred to as a "Bound Party"), agree to encourage the amicable resolution of disputes involving the Condominium Community and all of its improvements without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit all Claims each may have to the procedures set forth in this ARTICLE THIRTEEN and not to a court of law.

13.3 Claims. Except as specifically excluded in this paragraph 13.3, all claims, disputes and other controversies arising out of or relating to the:

- (a) Contract for Sale and Purchase between Declarant and Buyer;
- (b) Property (as defined in said Contract) and the Residence;
- (c) purchase of the Property or the Residence;
- (d) interpretation, application or enforcement of this Declaration;
- (e) land development, design and/or construction of the improvements within the Condominium Community and/or any alleged defect therein;
- (f) rights, obligations and duties of any Bound Party under this Declaration; and/or
- (g) breach thereof,

all of which are hereinafter referred to as a "Claim", shall be subject to and resolved by submitting the Claim to mediation and, if not resolved during mediation, shall be resolved by Mandatory Binding Arbitration all in accordance with ARTICLE THIRTEEN of this Declaration and not in a court of law.

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13.4 Claims Subject to Approval. Unless Owners to whom at least sixty-seven percent of the votes in the Association are allocated agree to the contrary, the following shall not be Claims and shall not be subject to the provisions of this ARTICLE THIRTEEN:

(a) any suit by the Association against any Bound Party to enforce the provisions of ARTICLE FIVE (Assessments);

(b) any suit by the Association or Declarant to obtain a temporary restraining order or injunction and such other ancillary relief as the court may deem necessary in order for the Association or Declarant to act under and enforce the provisions of Paragraph 9.5 (Architectural Control), or ARTICLE SIX (Restrictive Covenants and Obligations);

(c) any suit by an Owner to challenge the actions of Declarant, the Association, the Declarant acting as the Design Review Committee, or any other committee with respect to the enactment and application of standards or rules or the approval or disapproval of plans pursuant to the provisions of Paragraph 9.5 (Architectural Control);

(d) any suit between or among Owners, which does not include Declarant or the Association as a party; and/or

(e) any suit in which any indispensable party is not a Bound Party.

13.5 Notice of Claim Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall submit all of their Claims by written notification delivered to each Respondent, stating plainly and concisely:

(a) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(b) the legal or contractual basis of the Claim (i.e., the specific authority out of which the Claim arises); and

(c) the specific relief and/or proposed remedy sought.

13.6 Timely Initiation. All Claims shall be initiated by the Claimant within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations or repose.

13.7 Right to be Heard Upon receipt of a Claim and prior to the Association or any Member asserting the Claim commencing any arbitration or judicial or administrative proceeding which may fall within the scope of this ARTICLE THIRTEEN, Declarant shall have the right to be heard by the Claimant, affected Owners, and Association in an effort to resolve the Claim.

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13.8 Right to Inspect. If the Claim is based on the land development, design and/or construction of the Improvements within the Planned Community then, subject to Owner's prior written approval which shall not be unreasonably withheld, Declarant shall have the right to access the affected area at a reasonable time(s) for purposes of inspecting the condition complained of including but not be limited to, any investigative or destructive testing.

The Association shall have the same right to inspect for any Claims by Owner against the Association in accordance with the above.

In the exercise of the inspection rights contained herein, the party causing the inspection to be made ("Inspecting Party") shall:

- (a) be careful to avoid any unreasonable intrusion upon, or harm, damage or costs to the other party including, without limitation, using its best efforts to avoid causing any damage to, or interference with, any improvements on the property being inspected ("Property");
- (b) minimize any disruption or inconvenience to any person who occupies the Property;
- (c) remove daily all debris caused by the inspection and located on the Property; and
- (d) in a reasonable and timely manner, at the Inspecting Party's sole cost and expense, promptly remove all equipment and materials from the Property and repair and replace all damage, and restore the Property to the condition of the Property as of the date of the inspection, unless the Property is to be immediately repaired.

The repair, replacement and restoration work shall include, without limitation, the repair or replacement to any structures, driveways, fences, landscaping, utility lines or other improvements on the Property that were damaged, removed or destroyed by Inspecting Party. In the event the Inspecting Party wishes to make appropriate and necessary repairs to resolve the subject matter of the Claim, the same shall be made upon terms and conditions acceptable to all affected parties.

The Inspecting Party shall not permit any claim, lien or other encumbrance arising from the exercise of its right to inspect to accrue against or attach to the Property. The Inspecting Party shall indemnify, defend and hold harmless the owners, tenants, guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorney's fees, resulting from any breach of this Article by the Inspecting Party.

13.9 Good Faith Negotiations. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Any party may appoint a representative to assist such Party in negotiations.

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13.10 Mediation If the Parties do not resolve the Claim through negotiations within thirty days after the date of submission of the Claim to Respondent(s), as may be extended upon agreement of all affected Parties, Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of an independent mediation service acceptable to all parties. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and all Respondent(s) shall be released and discharged from any and all liability to Claimant on account of such Claim.

(a) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties.

(b) If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(c) Within ten days after issuance of a Termination of Mediation, the Claimant shall make a final written Settlement Demand to the Respondent(s), and the Respondent(s) shall make a final written Settlement Offer to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Claim shall constitute the Settlement Demand. If the Respondent(s) fail to make a Settlement Offer, Respondent(s) shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Each Party shall bear its own costs, including attorney's fees, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the mediation proceeding.

(e) If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with this ARTICLE THIRTEEN and any Party thereafter fails to abide by the terms of such agreement, then any other Affected Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this ARTICLE THIRTEEN. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party all costs incurred in enforcing such agreement, including, without limitation, attorney's fees and court costs.

13.11 Consensus for Association Arbitration or Litigation. Except as provided in this ARTICLE THIRTEEN, the Association shall not commence any arbitration or a judicial or administrative proceeding unless Owners to which at least sixty-seven percent of the votes in the Association are allocated agree to such proceedings.

This Paragraph 13.10 shall not apply, however, to:

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- (a) actions brought by the Association or Declarant to enforce the terms of this Declaration (including, without limitation, the foreclosure of liens);
- (b) the imposition and collection of Assessments, Fines, costs and attorney fees, or other specific amounts due under the Declaration; or
- (c) counterclaims brought by the Association in proceedings instituted against it.

13.12 Arbitration. If the Parties do not reach a settlement of the Claim within 15 days after issuance of any Termination of Mediation and reduce the same to writing, the Claimant shall have 15 additional days to submit the Claim to binding arbitration in accordance with the Arbitration Procedures contained in Exhibit F hereof and deliver an Arbitration Notice to all Respondent(s).

(a) The parties agree that where any Claim, dispute or other controversy existing between them is submitted to arbitration, and any other Bound Party may have liability with respect thereto, all parties including any third parties agree that the third parties may be joined as additional parties in the arbitration, or if a separate arbitration exists or is separately initiated, to the consolidation of all arbitrations. It is the intent of the parties to resolve all rights and obligations of all interested parties at one time in one forum rather than in multiple proceedings.

(b) If the Claim(s) are not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claims shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of such Claims.

(c) The award rendered by the arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in accordance with applicable law and judgment obtained thereon, and execution may issue. The party seeking enforcement shall be entitled to all reasonable attorney's fees and costs incurred in the enforcement of the award.

(d) The Arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing party such party's costs and expenses, including reasonable attorney's fees.

(e) The Association or the Owner shall notify the Declarant prior to retaining any person or entity as an expert witness for purposes of any arbitration or authorized litigation.

13.13 Binding Effect This ARTICLE THIRTEEN and the obligation to arbitrate shall be specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

13.14 Amendment. This ARTICLE THIRTEEN shall not be amended unless such amendment is approved by Owners to whom at least sixty-seven percent of the votes in the Association are allocated.

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ARTICLE FOURTEEN: DURATION, AMENDMENT AND TERMINATION OF THE DECLARATION

14.1 Duration. The covenants, restrictions and obligations of this Declaration shall run with and bind the land in perpetuity until this Declaration is terminated in accordance with Paragraph 14.7 below.

14.2 Amendments by Owners. Except as permitted in Paragraph 15.5 hereof and except in case of amendments that may be executed by the Board of Directors pursuant to Paragraphs 1.30 and 7.9 and the Declarant pursuant to ARTICLE TWELVE and Paragraphs 1.30 and 14.3, and except as restricted by Paragraphs 11.2, 11.3 and 14.5 hereof, this Declaration, including the Map, may be amended by written agreement by Owners to which at least sixty-seven percent of the votes in the Association are allocated; provided, however, an amendment may not: (a) create or increase Special Declarant Rights; (b) increase the number of Units; (c) change the uses to which a Unit is restricted; or (d) change the Allocated Interests of a Unit except by unanimous consent of the Owners.

Notwithstanding any other provisions set forth in this Declaration, there shall be no reallocation of interests in a Limited Common Element which is appurtenant to a Unit or redefinition of Unit boundaries without the express prior written consent of the Owner affected.

Any such amendment shall be effective upon the recording of the amendment together with a notarized Certificate of an officer of the Association certifying that the requisite number of Owners and Eligible Mortgagees, if required, have given their written consent to the amendment. The officer shall further certify that originals of such written consents by Owners and Eligible Mortgagees, as applicable, along with the recorded amendment, are in the records of the Association and available for inspection.

Each amendment to the Declaration must be recorded in the Office of the County Clerk and Recorder.

Signatures of Owners on the amendment need not be notarized.

All signatures shall be irrevocable even upon the death of an Owner or the conveyance of the Unit, except that if an amendment is not recorded within three years of the date of signature, then the executing Owner or their successor or assigns may revoke their signature by a written and notarized document delivered to the Secretary of the Association.

Amendments can be executed in counterparts, provided that such recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are part of the whole.

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No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Association's Declaration, Articles of Incorporation or Bylaws unless it is commenced within one year from the date of the recording of the said amendment, unless fraud or willful negligence is asserted and proven.

14.3 Amendments by Declarant. Declarant reserves the right to amend, without the consent of Owners or First Mortgagees this Declaration, the Map, the Association's Articles of Incorporation or Bylaws, any time within the limitations set forth in Paragraph 10.3 hereof, as follows:

- (a) To make nonmaterial changes, such as the correction of a technical, clerical, grammatical or typographical error or clarification of a statement.
- (b) To comply with any requirements of any of the Agencies or to induce any of the Agencies to make, purchase, sell, insure or guarantee First Mortgagees.
- (c) To comply with any requirements of the Act.

Said amendments cannot impair the lien of a First Mortgagee nor any warranties made to any First Mortgagee prior to the amendment.

14.4 Consent of Eligible Mortgagees. Amendments may be subject to the consent requirements of Eligible Mortgagees as more fully set forth in ARTICLE ELEVEN hereof.

14.5 Consent of Declarant. Any proposed amendment of any provision of this Declaration shall not be effective unless Declarant has given its written consent to such amendment.

The foregoing requirement for consent of Declarant to any amendment shall terminate at the option of the Declarant, but in any event, shall terminate without further act or deed in accordance with the limitations set forth in Paragraph 10.3 hereof.

14.6 FHA/VA Approval. If the Condominium Community has been or may be approved by the Federal Housing Administration and/or the Veterans Administration, then until the termination of the Period of Declarant Control in accordance with Paragraph 4.7 hereof, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: annexation of additional properties, amendment of this Declaration, amendment to the Association Bylaws and the assessment of a Special Assessment.

14.7 Termination. The Condominium Community may be terminated only in accordance with Paragraphs 11.2(c) and (d) hereof.

The proceeds of any sale of real estate together with the assets of the Association shall be held by the Board of Directors as trustee for Owners and holders of Security Interests upon the Units as their interests may appear as more fully set forth in § 38-33.3-218 of the Act.

ARTICLE FIFTEEN: GENERAL PROVISIONS

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15.1 Right of Action. Subject to the provisions of ARTICLE THIRTEEN hereof, the Association and any aggrieved Owner shall have an appropriate right of action against Owners for failure to comply with the Declaration, Bylaws of the Association, Articles of Incorporation and Rules and Regulations of the Association or with decisions of the Board of Directors of the Association which are made pursuant thereto. Owners shall have a similar right of action against the Association.

15.2 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

15.3 Severability. Any portion of this Declaration invalidated in any manner whatsoever shall not be deemed to affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision has never been included herein.

15.4 No Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

15.5 Registration by Owner of Mailing Address. Each Owner shall register his or her mailing address with the Association, and except for monthly statements and other routine notices, which shall be personally delivered or sent by regular mail, all other notices or demands intended to be served upon an Owner shall be delivered personally or sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address.

All notices, demands or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to J. Gordon Corn, 1833 S. Pierson Ct., Lakewood, CO 80232, Registered Agent for the Association until the Registered Agent is changed by a notice duly filed with the Office of the Secretary of State of Colorado (Change of Registered Agent).

15.6 Conflict. The Project Documents are intended to comply with the requirements of the Act and the Colorado Revised Nonprofit Corporation Act. If there is any conflict between the said Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Project Documents, this Declaration shall control.

In the event either the Articles of Incorporation or Bylaws conflict with the Declaration, the Declaration shall control. In the event the Articles conflict with the Bylaws, the Articles shall control.

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EXHIBIT A
TO THE CONDOMINIUM DECLARATION
OF
THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS

LEGAL DESCRIPTION OF THE REAL PROPERTY
SUBMITTED TO THE CONDOMINIUM DECLARATION
OF
THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS
(FIRST PHASE)

BEING A PART OF WASHINGTON HEIGHTS SECOND FILING LOT LINE ADJUSTMENT NO.1 PLAT AND BEING A RESUBDIVISION OF BLOCK 4 AND A PORTION OF BLOCK 5, WASHINGTON HEIGHTS SECOND FILING THE PLAT OF WHICH IS RECORDED IN PLAT BOOK 1, AT PAGE 15B OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER, TOGETHER WITH THE 15' ALLEY LYING WITHIN BLOCK 4, AS VACATED PER THE INSTRUMENT RECORDED IN BOOK 125, AT PAGE 141 OF SAID JEFFERSON COUNTY RECORDS, AND TOGETHER WITH A PORTION OF THE RIGHT-OF-WAY OF WEST ELLSWORTH AVENUE, AS VACATED PER THE INSTRUMENT RECORDED UNDER RECEPTION NUMBER F0954050 OF SAID JEFFERSON COUNTY RECORDS, AND FURTHER LYING WITHIN THE SOUTHEAST ONE-QUARTER (SE 1/4) OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ALL WITHIN THE CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SE 1/4;
THENCE N89°02'53"E FOR A DISTANCE OF 37.50 FEET TO A POINT LYING ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 12;
THENCE S00°29'06"E FOR A DISTANCE OF 30.00 FEET TO A POINT LYING ON THE SOUTH RIGHT-OF-WAY LINE OF WEST 1ST AVENUE AND THE EAST RIGHT-OF-WAY LINE OF HARLAN STREET;
THENCE N89°02'53"E ALONG THE SAID SOUTH RIGHT-OF-WAY LINE OF WEST 1st AVENUE FOR A DISTANCE OF 168.24 FEET TO THE TRUE POINT OF BEGINNING;
THENCE N89°02'53"E AND CONTINUING ALONG THE SAID SOUTH RIGHT-OF-WAY LINE OF WEST 1st AVENUE FOR A DISTANCE OF 114.50 FEET TO A POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF GRAY STREET;
THENCE S00°29'56"E ALONG THE WEST RIGHT-OF-WAY LINE OF SAID GRAY STREET FOR A DISTANCE OF 181.00 FEET TO A POINT;
THENCE S89°02'53"W FOR A DISTANCE OF 113.07 FEET TO A POINT;
THENCE N00°57'07"W FOR A DISTANCE OF 180.99 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING AN AREA OF 20,595.20 SQUARE FEET, OR 0.473 ACRES, MORE OR LESS.

POCR COPY

Also known as Units A, B, C, D and E, Building Four

EXHIBIT B
TO THE CONDOMINIUM DECLARATION
OF
THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS

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LEGAL DESCRIPTION OF THE REAL PROPERTY
WHICH MAY BE SUBMITTED TO THE
FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUM REGIME
IN LATER PHASES

Being a part of
Washington Heights Second Filing Lot Line Adjustment No. 1 Plat and being a resubdivision of

BLOCK 4 AND A PORTION OF BLOCK 5, WASHINGTON HEIGHTS SECOND FILING THE PLAT OF WHICH IS RECORDED IN PLAT BOOK 1, AT PAGE 15A OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER, TOGETHER WITH THE 15' ALLEY LYING WITHIN BLOCK 4, AS VACATED PER THE INSTRUMENT RECORDED IN BOOK 125, AT PAGE 141 OF SAID JEFFERSON COUNTY RECORDS, AND TOGETHER WITH A PORTION OF THE RIGHT-OF-WAY OF WEST ELLSWORTH AVENUE, AS VACATED PER THE INSTRUMENT RECORDED UNDER RECEPTION NUMBER F0954050 OF SAID JEFFERSON COUNTY RECORDS, AND FURTHER LYING WITHIN THE SOUTHEAST ONE-QUARTER (SE 1/4) OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ALL WITHIN THE CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

POOR COPY

COMMENCING AT THE NORTHWEST CORNER OF SAID SE 1/4;
THENCE N89°02'53"E FOR A DISTANCE OF 37.50 FEET TO A POINT LYING ON THE NORTH LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 12;
THENCE S00°29'06"E FOR A DISTANCE OF 30.00 FEET TO A POINT LYING ON THE SOUTH RIGHT-OF-WAY LINE OF WEST 1ST AVENUE AND THE EAST RIGHT-OF-WAY LINE OF HARLAN STREET BEING THE TRUE POINT OF BEGINNING;
THENCE N89°02'53"E ALONG THE SAID SOUTH RIGHT-OF-WAY LINE OF WEST 1st AVENUE FOR A DISTANCE OF 282.75 FEET TO A POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF GRAY STREET;
THENCE S00°29'56"E ALONG THE WEST RIGHT-OF-WAY LINE OF SAID GRAY STREET FOR A DISTANCE OF 451.03 FEET TO A POINT;
THENCE S89°02'17"W FOR A DISTANCE OF 150.76 FEET TO A POINT;
THENCE N00°57'43"W FOR A DISTANCE OF 42.95 FEET TO A POINT;
THENCE S89°02'17"W FOR A DISTANCE OF 131.99 FEET TO A POINT LYING ON THE EAST RIGHT-OF-WAY LINE OF HARLAN STREET;
THENCE N00°29'06"W ALONG THE SAID EAST RIGHT-OF-WAY LINE OF HARLAN STREET FOR A DISTANCE OF 408.20 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING AN AREA OF 121,897.89 SQUARE FEET, OR 2.798 ACRES, MORE OR LESS.

LESS the real property described in Exhibit A.

EXHIBIT C
TO THE CONDOMINIUM DECLARATION
OF
THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS

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TABLE OF INTERESTS
(FIRST PHASE)

The Owners of each Unit in the Condominium Community shall have one vote for each Unit owned. Subject to the provisions of ARTICLE TWELVE hereof, each Unit is hereby vested with an undivided Percentage Ownership Interest in the Common Elements and is subject to a Common Expense Assessment Liability as set forth below.

UNIT NO.	BLDG NO.	PERCENTAGE OWNERSHIP INTEREST/COMMON EXPENSE ASSESSMENT LIABILITY
A	Four	1/5
B	Four	1/5
C	Four	1/5
D	Four	1/5
E	Four	1/5

The Percentage Interest in the Common Elements and Common Expense Assessment Liability has been determined by the Declarant in accordance with Paragraph 1.3 hereof.

Whenever any additional property is brought into the Condominium Community, in accordance with ARTICLE TWELVE hereof, the Common Expense Assessment Liability and the Percentage Ownership Interest in the Common Elements of each Owner after such addition will change and shall be reallocated by the Declarant in accordance with Paragraph 1.3 hereof after such addition.

The Supplemental Declaration recorded at the time of expansion shall set forth the new Common Expense Assessment Liability and the new Percentage Ownership Interests in the Common Elements of the existing Units and the newly added Units. The Percentage Interest and Common Expense Assessment Liability shown for each Unit is subject to change in accordance with ARTICLE TWELVE hereof.

EXHIBIT D
FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS
SCHEDULE OF MAINTENANCE RESPONSIBILITIES

I	II	III	IV
ITEMS	COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	UNIT OWNER'S RESPONSIBILITIES WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENTS
All of the real property, private street, landscaping, grounds and other improvements thereon lying outside the Building's foundations.	All, in all regards		
The Building's roof, foundations, exterior, bearing and utility walls.	All, in all regards		
Windows.	Exterior painting, and exterior caulking only.		Routine cleaning, repair and replacement of glass in the windows and window mechanisms serving a Residence.
Doors	Regular scheduled maintenance for all surfaces which are not exposed to the interior of a Residence, including panel, buck, trim and sill.		Residence side of door panel, interior trim, all hardware including lock, door chime assembly, hinges/closure and weather stripping, replacement of glass, if any.
Electrical and related systems and components thereof, including fixtures.	Systems including fixtures and appliances serving more than one Residence, all in all regards.		Systems including fixtures and appliances serving only one Residence, all in all regards, including exterior fixtures serving primarily only one Residence.
Heating and cooling systems and components thereof.	Systems serving more than one Residence, all in all regards.		Systems and related components thereof serving only one Residence, all in all regards

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**EXHIBIT D
FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS
SCHEDULE OF MAINTENANCE RESPONSIBILITIES**

I	II	III	IV
ITEMS	COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	UNIT OWNER'S RESPONSIBILITIES WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENTS
Plumbing and related systems and components thereof.	Plumbing providing service to more than one Residence. All, in all regards.	All in all regards	All plumbing and related systems and components thereof serving only one Residence, all in all regards.
Parking spaces	All in all regards	All in all regards	Routine cleaning
Garage Spaces	All in all regards	All, in all regards, except routine cleaning	Routine cleaning
Garage Doors	All exterior maintenance except glass replacement and the electrical door opening mechanism, if any	All in all regards, except routine cleaning	Glass replacement and electrical door opening mechanism, if any
Patios	All in all regards	All in all regards, except routine cleaning	Routine cleaning

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EXHIBIT D
FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS
SCHEDULE OF MAINTENANCE RESPONSIBILITIES

MAINTENANCE RESPONSIBILITIES:

This Exhibit is not intended to describe or encompass all maintenance functions nor to delineate all respective responsibilities between the Owners and the Association. The placement of responsibility under any specific column does not always accurately reflect the precise character and nature of ownership. The appropriate paragraphs of the Condominium Declaration and the Condominium Map determine ownership. In many cases maintenance responsibility is allocated to the Association to ensure central maintenance responsibility, uniformity and quality of repair, and to protect community health and safety. Where such maintenance is required due to the negligent or wrongful act or omission of an Owner (or members of his or her household, tenants, employees, agents, visitors, guests or pets), the Association will perform the necessary maintenance at the sole expense of the Owner (see ARTICLE NINE).

COLUMN I: ITEMS - Items appearing in this column are illustrative and not exhaustive.

COLUMN II: COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY - Responsibility for determining the maintenance, repair and replacement requirements of the Common Elements and determining the costs thereof shall be primarily the responsibility of the Board of Directors.

COLUMN III: LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY - Responsibility for determining the maintenance, repair and replacement requirements of the Limited Common Elements shall be the responsibility of the Board of Directors. The Owner of a Unit to which a specific Limited Common Element is exclusively appurtenant is responsible to keep said Limited Common Elements in a clean and neat condition.

COLUMN IV: OWNER'S RESPONSIBILITY WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENT - The items in this column are not intended to be exclusive and all-encompassing and do not affect responsibilities expressly provided for otherwise.

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**EXHIBIT E
TO THE CONDOMINIUM DECLARATION
OF
THE FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS**

**THE RECORDING DATA FOR RECORDED EASEMENTS AND
LICENSES WHICH THE CONDOMINIUM COMMUNITY
IS OR MAY BECOME SUBJECT TO:**

1. All easements as contained in ARTICLE THREE hereof.
2. All easements as shown on the recorded Plat of the Condominium Community and as shown on the Condominium Map.

All recordings are in the records of the County Clerk and Recorder's Office,
Jefferson County, Colorado.

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**EXHIBIT F
TO THE CONDOMINIUM DECLARATION
OF THE
FIRST AND HARLAN CARRIAGE HOMES CONDOMINIUMS**

ARBITRATION PROCEDURES

1. All Claims subject to arbitration shall be decided by a single private party arbitrator to be appointed by the parties.
2. If the parties are unable to agree upon an Arbitrator within 30 days from the date of the Arbitration Notice, the presiding judge of the District Court in which the Condominium Community is located shall appoint a qualified arbitrator upon application of a party.
3. No person shall serve as the arbitrator where that person has any financial or personal interest in the result of the arbitration or any family, social or significant professional acquaintance with any other party to the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator within 14 days after receipt of that Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner in which that arbitrator was selected.
4. The Arbitrator shall fix the date, time and place for the hearing. The arbitration proceedings shall be conducted in the County in which the Condominium Community is located unless otherwise agreed by the Parties.
5. Except as modified herein the arbitration shall be conducted pursuant to the then current Construction Industry Rules of Arbitration of the American Arbitration Association to the extent applicable, but shall not be conducted or administered by the American Arbitration Association.
6. No formal discovery shall be conducted in the absence of an order of the Arbitrator or express written agreement among all the Parties.
7. Unless directed by the Arbitrator, there will be no post-hearing briefs.
8. The Arbitration Award shall address each specific Claim to be resolved in the arbitration, provide a summary of the reasons therefore and the relief granted, and be rendered promptly after the close of the hearing and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing and shall be signed by the Arbitrator.
9. The Arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing party such party's costs and expenses, including reasonable attorney's fees.