

DECLARATION OF CONDOMINIUM

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HeatherRidge South

THIS DECLARATION made on the date hereinafter set forth by YALE PROPERTIES, INC., hereinafter referred to as "Declarant,"

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in the County of Arapahoe, and State of Colorado, more particularly described as:

HEATHERRIDGE SOUTH FILING NO. 1 and
HEATHERRIDGE SOUTH FILING NO. 2,

Arapahoe County, Colorado

and

WHEREAS, Declarant will construct townhouses on the Properties above described as well as recreational facilities and other appurtenances and facilities thereto and thereon, and

WHEREAS, Declarant will convey interests in said Properties subject to the protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth,

NOW, THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, uses and obligations, all of which are declared and agreed to be for the protection of the value of the Properties and for the benefit of persons acquiring interests therein, shall be deemed to run with the land, and shall be a burden and benefit to any persons acquiring such interests, their grantees, successors, heirs, legal representatives and assigns.

ARTICLE I.

DEFINITIONS

Section 1. "Declarant" shall mean Yale Properties, Inc., its successors and assigns.

Section 2. "Declaration" shall mean this document of Declaration of Condominium

as amended from time to time.

Section 3. "Association" shall mean and refer to THE HEATHERRIDGE SOUTH ASSOCIATION, its successors and assigns.

Section 4. "Properties" shall mean and refer to those certain real properties hereinbefore described, and such additions thereto as may hereafter be subject to this Declaration and under the management of the Association.

Section 5. "General Common Elements" shall mean all the Properties herein described, together with all facilities and improvements placed thereon, and any and all interests which the Association may acquire in adjacent lands or recreational areas, any easements granted to the Association and in general all apparatus and installations existing for common use, and all other parts of the Properties necessary or convenient to its existence, maintenance and safety or normally in common use, not including Townhouse Units herein described.

Section 6. "Limited Common Elements" shall mean those general common elements designated in the Declaration as reserved for use by fewer than all of the owners of Townhouse Units.

Section 7. "Townhouse" or "Townhouse Unit" means an individual air space unit which is contained within the walls, base floor, roof, windows and doors of such unit in the building as shown in the condominium map to be filed of record, together with all fixtures and improvements therein contained but not including any of the general common elements of the building.

Section 8. "Unit" shall mean a "Townhouse" or "Townhouse Unit."

Section 9. "Condominium Unit" or "Condominium Townhouse" shall mean a unit together with its undivided interest in the Properties.

Section 10. "Owner" or "Owners" shall mean the record owner, whether one or more persons or entities of undivided interests in the Properties excluding those having an interest under an encumbrance.

Section 11. "Common Driveway" shall mean the paved access area linking the public street to the garages of all the units comprising one or more building groups.

Section 12. "Limited Driveway" shall mean the paved area linking the common driveway with the garage comprising a part of a unit.

Section 13. "Common Element Expenses" shall mean the owner's prorata share of the general common expenses including but not limited to the common area maintenance, repairs, utilities, management' costs, maintenance and operation of recreational facilities, reserves, capital improvements, assessments and all other charges which the Association may levy upon the owners in accordance with this Declaration.

Section 14. "By-laws" shall mean the by-laws adopted by the Association, as amended from time to time.

Section 15. "Rules" shall mean rules adopted by the Association as amended from time to time.

Section 16. "Manager" shall mean any duly authorized property manager employed or appointed by the Association to implement the duties and responsibilities incumbent upon the Association.

ARTICLE II.

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MANAGEMENT

Section 1. Duties and Responsibilities of THE HEATHERRIDGE SOUTH ASSOCIATION. Declarant has caused to be incorporated as a non-profit corporation THE HEATHERRIDGE SOUTH ASSOCIATION, and designated such Association to be the manager of the Properties. Any purchaser of an undivided interest in the Properties upon which units shall be constructed shall be deemed to have assented to such designation and management and ratified and approved the same. Said Association, by its signature approving this instrument has agreed to perform the duties required of it hereunder. Said Association shall have the following duties, rights and powers:

(a) To adopt rules and regulations in accordance with the By-laws of the Association for the regulation and operation of the condominiums, including but not limited to regulations governing the use of the general common elements, the limited common elements, and any recreational areas and facilities.

(b) To levy and collect monthly assessments, equitably prorated, against and from owners of undivided interests.

(c) From funds collected to:

(1) Maintain, care for and preserve the units, buildings, grounds, improvements and other general common elements (other than the interior of units).

(2) To pay for equipment, tools, supplies, and other personal property which may be owned by said Association.

(3) To pay for water, insurance, sewerage and other utilities and expenses and other common element expenses.

(4) To repair and replace facilities, machinery and equipment.

(5) To obtain and maintain insurance coverages upon the general common elements, the recreation buildings and facilities and other improvements upon the Properties, and other insurance coverages as follows:

(i) Insurance coverages against loss or damage by fire and such other hazards as are covered under standard coverage provisions for the full insurable replacement cost of the general common elements, buildings, recreational facilities, and the units with such deductible provisions relating thereto as may be deemed desirable by the Board of Directors of the Association. Such insurance effected shall provide that the loss thereunder shall be paid to the Board of Directors as insurance trustees under this Declaration. A certificate or schedule showing the coverages of each unit owner's interest in the amount of the proceeds from the insurance policies shall be furnished each unit owner. As insurance coverages are increased or decreased new certificates shall be issued to unit owners.

Such insurance policies shall contain provisions that the insurer waives its right to subrogation as to any claim against the Board of Directors of the Association, its agents and employees, and unit owners, and providing further that the insurer shall not be entitled to contribution if insurance is purchased by individual owners as hereinafter permitted. Mortgagee endorsement shall be made when the property is mortgaged for the benefit of any lien holder.

Unit owners may carry additional insurance if they so desire for their own benefit insuring their improvements, carpeting, wall coverings, pictures, furniture, furnishings and other personal property, provided that the liability of the carriers issuing the insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

In the event of destruction by fire or other casualty of 50% or more in total value of the townhouses in any building situate upon the Properties, then repair and reconstruction of the building to its original condition prior to such casualty shall be proceeded with by the Board of Directors unless 75% or more of the unit owners in the building in which such destruction occurred at a meeting of such unit owners held for such purpose cast their ballot against the rebuilding of such building. In the event the unit owners determine by vote as aforesaid not to proceed with rebuilding, then the proceeds

from the insurance coverages payable to the Board of Directors as insurance trustees under the insurance policies shall be distributed unto the lien holders of the respective unit owners according to their priority and if no liens exist to the unit owners whose building has been destroyed, proportioned to the amounts of the insurable interest of each of the owners as may have been shown in the certificates of insurance issued to each unit owner. The Association then shall acquire from the unit owners their undivided interests in the Properties at their then fair market value. In the event a dispute arises as to such fair market value the same shall be determined under the Rules of the American Arbitration Association and the decision of the arbitrators shall be binding upon all parties. Amounts received by such unit owners from disposition of their interests in the Properties shall then be distributed among the unit owners in the proportion that their respective insurable interests bear to the amount received. The Board of Directors of the Association may then elect to raze the building or rebuild the same, as the case may be.

In the event the reconstruction and repair of any building is to be made following any loss as aforesaid, then the Board of Directors as insurance trustees in cooperation with the unit owners shall use the proceeds of insurance for such purpose. In the event there is insufficient money received in settlement of the losses claimed from the insurance carriers and a deficiency exists, then all of the unit owners of the Properties within Heatheridge South Filing No. 1 and No. 2 shall be assessed for such deficiency in the proportion that the insured value of each unit bears to the total insured value of all units.

Deficiencies in amounts required to repair or replace improvements other than units shall be considered as a general common expense and prorated as provided for in Subparagraph 3 (e) of Article V hereof.

(ii) Comprehensive Public Liability Insurance and Workmens Compensation Insurance coverage upon Employees and other liability insurance insuring each unit owner and the Association, Board of Directors, Manager, and/or Agents in connection with the Properties, the common elements and the recreational area at such limits as it may deem desirable.

(iii) Such other insurance as the Board of Directors may deem desirable for the benefit of unit owners.

(iv) Each unit owner grants unto the Board of Directors the exclusive power and right to file proofs of loss in the event of any loss or damage covered by insurance and to make adjustment with insurance carriers for any losses sustained.

(d) To lease or acquire real or personal property in pursuit of its obligations.

(e) To levy and collect from each owner at the time each owner purchases or acquires a unit a sum equal to six times the original estimated monthly common element expenses for his unit. Said sum may be used by the Association as working capital, to apply against a delinquent account of a unit owner, or emergency needs, and shall be refunded to the owner (except as hereinafter provided) upon the sale or transfer of his unit less any amounts then due by said owner to the Association. Such amount may be transferred to a new owner upon a settlement sheet adjustment between a seller and purchaser. Deficiency amounts in any unit owner's account shall be promptly restored upon request to maintain an amount equal to six times the original estimated monthly common expense for such unit.

(f) To enter into and upon the units when necessary, and at as little inconvenience to the occupants concerned as possible, in connection with the duties of the Association outlined herein.

(g) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from the owners of the units for violation of the covenants herein contained on the part of the owners to be performed, or for violation of the rules pursuant hereto.

(h) To protect and defend the Properties from loss and damage by suit or otherwise.

(i) To employ workmen, maids, janitors and gardeners and others, to contract for services to be performed including those of a Manager, to purchase supplies and equipment, to enter contracts and generally to have the powers of an apartment house or property manager in connection with the matters hereinbefore set forth, except that the Association may not encumber or dispose of the interest of any Owner except to satisfy a lien or judgment against such Owner for violation of the Owner's covenants imposed by this Declaration.

(j) To employ counsel, attorneys and auditors in connection with legal matters of the Association and audit of its books and records which audits shall be available to unit owners for inspection at the Association office.

(k) To invest funds in the hands of the Board of Directors in excess of reasonable working capital needs, and to credit income derived therefrom to unit owners in an equitable manner. Each individual unit owner shall be furnished a statement of annual earnings attributable to unit owners from such income received.

(l) To file legal protests with authorities when requested so to do by a majority of the unit owners against the granting by authorities of zoning or variances as to any property adjoining or within a reasonable proximity of the Properties which might affect or depreciate the value of the unit owners interests in the Properties.

Section 2. Liens for Unpaid Assessments or Fees. Owners of undivided interests and rights in the Properties and units grant unto the Association a lien thereon for any amounts due from any Owner who fails to pay any amounts to be due as assessments. Notice of such lien may be filed of record by the Association. Such lien may be foreclosed by said Association in the same manner and form provided by law for foreclosure of real estate mortgages, and the court shall allow as part of any judgment entered, a reasonable attorney's fee and costs expended. Such lien shall be subordinate to any trust deed, mortgage or other lien instrument of record constituting a first lien thereon of record prior to the time such notice shall be filed of record.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Membership in the Association shall consist of the following:

(a) Any person acquiring an interest in the Properties, other than as mortgagees or beneficiaries under Trust Deeds or lien claimants, shall automatically become a member of the Association. Upon the sale or transfer of an interest by an Owner his membership shall terminate.

(b) The members of the Board of Directors of Declarant or their successors or assigns, as they now or hereafter may be in office. Such membership shall terminate when the right of the members of such Board to vote shall no longer be in effect.

Section 2. Voting. Except as otherwise hereinafter provided, for a period of three (3) years from the date of filing of this Declaration, the exclusive right to vote for election of members of the Board of Directors of the Association or upon any Association matters shall be vested solely and exclusively in the members of the Board of Directors of Declarant or its successors and assigns.

After the lapse of said three (3) year period the right to vote for election of the Board of Directors or upon Association matters shall be vested exclusively in the owners of Condominium Townhouses as members of the Association. Each such member, when entitled to vote, shall have one vote regardless of the number of owners of the Condominium Unit.

ARTICLE IV.

GENERAL AND LIMITED COMMON ELEMENTS
AND OTHER PROPERTY RIGHTS

Section 1. Patio and Courtyard. The patio and courtyard appurtenant to each unit are hereby designated as a limited common area. A unit owner and his invitees shall have the exclusive right to use and enjoy the patio and courtyard appurtenant to his unit and the maintenance and upkeep thereof shall be the obligation of such unit owner.

Section 2. Limited Driveway. Ownership of each unit shall entitle the owner and his invitees to the exclusive use of the limited driveway appurtenant to his unit which is hereby designated as a limited common element. Such driveway shall be maintained as a general common element.

Section 3. Rules. The Association may promulgate and enforce rules relating to the use to which the limited common elements may be put, their maintenance, upkeep, and aesthetic appearance.

Section 4. Use of General and Common Elements: Owners of units shall have the right to use and enjoy with others the General Common Elements (including recreational areas) but excluding structures housing the Townhouses and the limited common elements subject to the Association's Rules and Regulations. The Association shall have the authority to make Rules and Regulations governing the use of General Common Elements including but not limited to the following:

- (a) To limit the number of guests of owners permitted to use the recreational facilities.
- (b) To fix reasonable admission and other fees for the use of any recreational facility for the benefit of unit owners.
- (c) To suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his unit remains unpaid, and for a period not to exceed thirty (30) days for any infraction of Rules and Regulations.

Section 5. Delegation of Use. Any owner may delegate in accordance with the by-laws his right of enjoyment to the common area and facilities to the resident members of his family or to his tenants or contract purchasers who reside in the unit. An owner not residing in the unit may not use the recreational facilities.

Section 6. Recreational Facilities. The Declarant hereby covenants to construct at its expense a community center building, an outdoor swimming pool, a parking lot and certain other recreational facilities (as it may elect) in and upon Lot 2, Block 1 and Lot 1, Block 2, Heather-Ridge South Filing No. 2 as will be shown on the plot plan thereof to be placed of record. Said recreational facilities and areas shall be for use exclusively by unit owners of the Properties. Said recreational facilities and areas shall be maintained by the Association as a common element.

ARTICLE V.

COMMON ELEMENT EXPENSES AND ASSESSMENTS

Section 1. Creation of Liens for Assessments and Personal Obligations. Each owner by acceptance of a deed, shall pay to the Association (i) assessments or charges, and (ii) special assessments to be fixed, established, and collected from time to time as hereinafter provided. Each such assessment, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a continuing lien upon the unit against which such assessment is made. Each assessment, together with interest and costs of collection in the event of delinquency in payment, shall also be the personal obligation of the person who was the owner of such unit at the time when the assessment was made.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the management and the maintenance of the Properties, service and facilities related to the use and enjoyment of the Properties, and the improvements situated upon the Properties, for insurance, repair, replacement of the Properties, the maintenance and repair of roads and underground utilities, the maintenance of asphalt paving, curbs, gutters and drainage swales on the streets located in or upon the Properties, lighting and walkways, the maintenance of the exteriors of the units and other facilities and activities including, but not limited to, snow removal, mowing grass, caring for the grounds, sprinkler system, landscaping, roofs and exterior walls, parking structures including roofs, garbage pickup and water and sewer service furnished, providing recreational programs and the operation and maintenance of recreational facilities including personnel necessary for implementation, administration expenses, working capital, rental and acquisition of real or personal property, and in connection with other duties required to be performed under this Declaration of Condominium, or that the Association, in its opinion shall

determine to be necessary and desirable including the establishment and maintenance of a cash reserve for such repairs, maintenance and other expenses to be incurred as herein specified. In the event repairs are required resulting from negligent acts of an owner, the owner's family, guests, employees or invitees, the Association shall be reimbursed by such owner therefore.

Section 3. Due Dates and Basis of Assessments. Payment of the assessments made shall be paid by the owners to the Association on the date of closing of the original purchase of an owner's unit and prorated if upon a date other than the due date of an assessment, and thereafter in monthly or other periodical installments commencing on the first day of each month or period following the transfer of the unit to a purchaser.

(a) Insurance. Insurance premiums on units shall be equitably prorated in proportion to the original sales price of each unit subject to the right of the Association to increase or decrease the amount of insurance on units as may appear desirable but at not less than fair market replacement value. The Association shall secure policies at standard rates established by the Colorado State Insurance Commissioner and written with companies licensed to do business in Colorado and having a policyholders rating of "A" or better, and financial responsibility rating of "AAAAA" or better.

(b) Water and Sewer. Water and sewerage charges shall be prorated equally to all units based upon actual charges levied by the municipal water and sewer source.

(c) Expense of Electricity and Heat. Electricity and Heat expense for the recreational facilities and areas, walkways, pathways, street lights not paid by the municipality, and all other expense of lighting and heating for the benefit of owners shall be prorated equally among the units regardless of size.

Electricity and heat serving a unit or the limited common elements appurtenant to a unit and the maintenance of the equipment providing such services, shall be an expense of the unit owner.

(d) Common Expenses. Each unit owner shall pay a proportionate amount of the expense of maintenance, repair, replacement, administration and operation of the general common elements including recreational facilities. A separate fee may be levied by said Association for participants in a specialized program, for supplies for specialized classes, or for special functions, tours, or other activities.

(e) Proration of Common Expenses. Common expenses shall be prorated in the following manner:

50% of such common expenses shall be prorated and charged to all unit owners equally, and the remaining 50% shall be charged to the unit owners in the proportion to which the size of each unit, exclusive of its basement, bears to the total of the size of all completed units exclusive of basements.

Adjustment will be made for units which have not been completed for the entire year.

(1) Each unit owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own unit; provided, however, such maintenance, repairs and replacements as may be required for the functioning of the plumbing outside of the unit and for the bringing of water, gas and electricity to the unit, shall be performed by the Association as a part of the common expenses. Maintenance, repairs and replacements of the refrigerators, ranges and other kitchen appliances, lighting fixtures and other electrical appliances of a unit owner shall be at the expense of each unit owner.

(2) Each unit owner shall furnish and be responsible for, at his own expense, all of the decorating within his own unit, including painting, wall papering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each unit owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, which constitute the exterior boundaries of the respective unit owned by a unit owner, and such unit owner shall maintain such interior surfaces in good condition at his sole expense as may be required from time to time. Each unit owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. The interior surfaces of all windows forming part of a perimeter wall of a unit shall be cleaned or washed at the expense of each respective unit owner, and the exterior surfaces of such windows shall be cleaned or washed as part of the common expenses by the Association at such time or times as the Board of Directors shall

determine. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades or other items visible from the exterior of the Building, shall be subject to the rules and regulations of the Association. Decorating of the Common Elements (other than interior surfaces within the units as above provided), and any re-decorating of the interior of the units to the extent made necessary by any damage thereto caused by maintenance, repair or replacement work by the Association to the Common Elements shall be performed by the Association as a common expense.

(f) Levy of Assessments. The Board of Directors of the Association shall during the first month of each calendar year determine the estimated annual assessment to be made to each unit owner and payable periodically during the year, provided, however, that said assessments may be adjusted at any time if deemed necessary by said Board of Directors. As soon as practicable after the close of each calendar year, actual expenses shall be totaled and any overages or shortages of actual expenses and assessments made shall then be charged or refunded to the unit owners.

(g) Non-Exemption. No owner shall be exempt or relieved from payment of any assessment or charge by waiver or suspension of the use of any of the common elements, recreational areas or by the abandonment or leasing of his unit.

Section 4. Special Assessments. In addition to the assessments authorized above for maintenance and repairs, the Board of Directors of the Association may levy special assessments for the purpose of defraying in whole or in part the cost of any construction, or reconstruction, unexpected structural repairs or replacement of capital improvements, including the necessary fixtures and personal property related thereto, provided that if any such assessment exceeds \$5,000 the same shall have the assent of not less than a majority of the unit owners voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all owners of record not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Right of Entry - Enforcement of Covenants - Fines.

(a) Right of Entry. The Association through its duly authorized agents shall have the right in case of any emergency originating in or threatening a unit to enter therein.

An owner shall permit entry into his unit for the purpose of performing installations, alterations, or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other unit(s); provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

(b) Enforcement of Covenants - Fines. The Association shall have the authority to assess against any owner a fine not exceeding the sum of Ten Dollars (\$10.00) for violation of any of the covenants or conditions of this Declaration or Rules or Regulations issued thereunder for each violation and for each day such violation continues after written notice thereof is given.

Section 6. Effect of Non-Payment of Assessments or Recreational Fees; Remedies.

(a) Assessments and fees shall be due and payable on the first day of each month or the first day of the periodic period fixed for payment of the assessment or fees, and shall become delinquent unless paid ten (10) days thereafter. All unpaid assessments and fees shall be subject to a late charge for non-payment as may be determined from time to time by the Board of Directors of the Association. If such fees or assessments are not paid within thirty (30) days after the due date, they shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum or other reasonable rate fixed by the Association and uniformly applied. In the event it shall become necessary for the Association to collect any delinquent assessments or fees, whether by foreclosure of a lien hereinafter created or otherwise, the delinquent owner shall pay, in addition to the assessment and late charge and interest herein provided, all costs of collection including a reasonable attorney's fee and costs incurred by the Association in enforcing payment.

(b) The Association is hereby granted a lien against the owner's unit for any payment or payments which the owner fails to make as required by this Declaration, provided, however, that (1) such lien shall be effective only upon recordation of a Notice thereof in the office of the Clerk and Recorder in the county in which the property is located and each owner by accepting a deed to his unit, appoints, designates and constitutes any one of the officers of the Association or its duly appointed manager as agent with full irrevocable power and right to record a notice of said lien in favor of the Association; (2) a lien accruing hereunder shall be foreclosed in the same manner as provided by the laws of Colorado for foreclosure of mortgages on real property; and (3) such lien shall be subject and subordinate to and shall not affect the right of a holder of any prior recorded first encumbrance on the unit or any interest therein,

made in good faith and for value. The lien hereby given shall also be a lien upon all of the rents and profits of the units against which such liens are filed. In the event of a foreclosure, the owner shall be required to pay reasonable rental to the Association for occupying the same during the period of the foreclosure, and if after the filing of a foreclosure action the owner's unit is left vacant, the Association may take possession of and rent said unit or apply for the appointment of a receiver for the unit without notice to the unit owner. In addition to the lien herein granted, the Association shall have the right to bring an action at law against any owner who fails to pay any amounts assessed against his unit and obtain judgment for the amount of the assessments due plus costs as herein provided. The Association, acting on behalf of the owners of undivided interests, shall have the power to bid at the foreclosure sale and if title is obtained, hold, lease, mortgage, encumber or convey the same.

(c) In the event an owner is in default on any obligation secured by an encumbrance on his unit, the Association may at its option, pay the amount due on said obligation and file a lien against the unit in the same manner as provided for herein for unpaid assessments or fees.

(d) Sale or transfer of such interest by a unit owner shall not affect or release any lien granted the Association herein.

(e) In the case of a voluntary conveyance of a unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments made by the Association against the grantor to the time of the conveyance, without prejudice to the right of the grantee to recover from the grantor the amount required to be paid by the grantee therefor. Any such grantee shall be entitled to a statement from the manager or Board of Directors, as the case may be, setting forth the amount of the unpaid assessment against the grantor and unit due the Association and such grantee shall not be liable for any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth.

ARTICLE VI.

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ARCHITECTURAL CONTROL

Section 1. Restrictions. No building, storage structure, awning or fence shall be erected, placed or altered on any lot or parking structure on the property until the plans and specifications showing the nature, kind, shape, height, materials and location of such have been submitted to and approved in writing as to quality of workmanship and materials, and conformity and harmony of external design with existing structures and as to location with respect to existing buildings, topography and finished ground elevation, by a committee designated by the Association, nor shall interior changes in a unit of a structural nature be permitted prior to the approval of said committee.

Section 2. Approval . If the said committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it and duly received by the Association for consideration by the committee, such approval will be deemed to have been given.

Section 3. Committee Address . All plans and specifications which must be submitted in writing for approval hereunder shall be submitted to said committee at the following address:

The HeatherRidge South Association
Architectural Control Committee
13693 East Iliff Avenue
Denver, Colorado 80232

or to such other address as may hereafter be given in writing to the owners by the Association or by said committee.

Section 4. Compensation . Members of such committee shall not be entitled to any compensation for services performed.

ARTICLE VII.

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USE LIMITATIONS

Section 1. Use. All of the lands contained within the Properties shall be used for residential purposes, recreational facilities in conjunction with said residential use, and for maintenance and administration of the residential units and recreational facilities contained thereon. All buildings or structures erected upon said property shall be of new construction and no buildings or structures shall be moved from other locations onto the Properties. No structures of a temporary character, trailer, tent, shack, barn or other outbuildings shall be placed on any portions of said Properties.

Section 2. Temporary Use by Declarant. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant to maintain upon the Properties during the period of construction and sale of said units, such facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale of said units, including, but without limitation, a business office, storage area, construction yards and structures, signs, model units and sales office.

Section 3. Prohibition Against Partition. No owner of an undivided interest in the Properties shall institute or prosecute any action for partition of the Properties or Units and each owner hereby expressly waives such right by acceptance of a conveyance of such interest to him.

Section 4. Household Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Properties or units except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose, and shall be subject to regulations and rules to be established by the Association and any governmental ordinances or laws. Dogs shall be leashed at all times when outside a unit of an owner and the pet owner shall confine his dog for excretions to the courtyard area appurtenant to the owner's unit. Pets constituting a nuisance may be ordered by the Association to be kept within the unit of the owner.

Section 5. Advertising. No advertising signs, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain in or on said Properties or units,

nor shall the same be used in any way or for any purpose which may endanger the health or unreasonably disturb the owners of any units or any residents thereof. No business activities of any kind whatever shall be conducted in any building or in any portion of said Properties, provided, however, the foregoing covenants shall not apply to the business activities, signs and bill boards, or the construction and maintenance of buildings, if any, of Declarant, during the original construction and sale period. The Association may erect such billboards or notices as it deems desirable in conjunction with its administration of the community and the providing and advertising of recreational and other activities for the benefit of the residents therein.

Section 6. Planting or Gardening - Fences, Hedges or Walls. Except in the individual patio and court areas, no planting or gardening shall be done except as designated by the Association. No fences, hedges or walls shall be erected or maintained upon said Properties except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association.

Section 7. Patios, Courts and Residential Windows. Maintenance and upkeep of patios, patio doors, screens, courts, interior surfaces of windows in residential units, repairs to screens and to any courtyard shall be the sole responsibility of the owner of the unit appurtenant thereto and shall not be the responsibility of the Association. Repairs to windows and patios and snow removal from all walks are considered as general common element expenses.

Section 8. Utility Maintenance. All utilities, fixtures and equipment installed within a unit, commencing at a point where utility lines, pipes, wires, conduits or systems enter the exterior walls of the unit shall be maintained and kept in repair by the owners thereof. An owner shall do no act nor any work nor allow any condition to exist which will adversely affect the other units or their owners.

Section 9. Antennas. Without prior written approval and the authorization of the Association, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Properties nor upon any structure situated upon the Properties.

Section 10. Negligent Acts. In the event that the need for any maintenance or repair to the general or limited common elements is caused through the willful or negligent act of an owner, his family, guests or invitees, and not covered or paid for by insurance for the benefit of the Association, the cost of such maintenance or repairs shall be added to and become a part of the next payable regular installment of the assessment to which such owner is subject.

Section 11. Unsightly Objects. Refuse piles or other unsightly objects or materials shall not be allowed to be placed or to remain upon the Properties including the limited common elements. The Association shall have the right to enter upon said Properties and remove such refuse piles or other unsightly objects or materials at the expense of the owner and such entry shall not be deemed a trespass upon due notice to owner and failure of owner to comply.

Section 12. Commercial Vehicle. No commercial type vehicles and no trucks shall be stored or parked on the Properties except in a closed garage, or in areas so designated, nor shall they be parked on any residential street except while engaged in transport to or from a building.

Section 13. Unused Automobiles or Vehicles of Any Kind. All unused automobiles or vehicles of any kind, except as hereinabove provided, shall not be stored or parked on any portion of the property except in a closed garage. Unused vehicles shall not be parked on any residential street or alley. "Unused vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of one (1) week or longer. A written notice describing the "unused vehicle" and requesting removal thereof may be personally served upon the owner and if such vehicle has not been removed within seventy-two (72) hours thereafter, the Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the owner. If such owner shall be a member of the Association, the cost thereof shall be added to his next assessment due.

Section 14. Mailboxes. Mailboxes may be erected as may be approved by the Association.

Section 15. Nuisances. No noxious or offensive activity shall be carried on upon

the Properties, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

Section 16. Garbage and Refuse Disposal. No part of the Properties may be used or maintained as a dumping ground for rubbish, trash, garbage or other waste and the same shall be disposed of in a sanitary manner. All containers or other equipment for the storage or disposal of garbage and trash shall be kept in a clean and sanitary condition. Trash containers for each unit shall be kept within its appurtenant garage except during days designated by the Association for pickup and disposal. The burning of trash in outside incinerators, barbecue pits or the like is prohibited, it being intended that all refuse, trash, garbage and the like shall be hauled away.

Section 17. Removal of Trees. The removal of trees, shrubs, and other improvements from the Properties shall be prohibited without the express approval of the Association.

Section 18. Painting and Maintenance of Townhouses. Re-painting of the exterior townhouses, garages, fences or other structures shall be a general common element expense and in accordance with the scheme established for the entire area by the Architectural Control Committee and its modifications from time to time.

Section 19. Garage Doors. Garage doors are to be kept closed at all times except when in immediate use for ingress and egress of automobiles, equipment and the like.

ARTICLE VIII.

EASEMENTS

Section 1. Encroachment. Each unit and the Properties shall be subject to an easement for encroachments created by construction, settling or overhangs, as designed or constructed by the Declarant. In the event the multi-family structure containing two or more units is partially or totally destroyed, and then rebuilt, the owners of the units so affected agree that minor encroachments of parts of the adjacent units or Properties due to construction shall be permitted and that a valid easement for such encroachment and the maintenance thereof shall exist.

Section 2. Blanket Easements. There is hereby created a blanket easement upon, across, over and under all of the Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the electrical and/or telephone company providing service to erect and maintain the necessary poles and other necessary equipment on said Properties and to affix and maintain electrical and/or telephone wires, circuits and conduits, on, above, across and under the roofs and exterior walls of the buildings upon the Properties. An easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the streets and properties in the performance of their duties. Further, an easement is hereby granted to the Association to enter in or to, across or over the Properties and any unit to perform the duties of maintenance and repair of the units or Properties. Notwithstanding anything to the contrary in this paragraph contained, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as approved by the Declarant or the Association. Should any utility furnishing a service covered by the general easement herein provided request a specific easement, Declarant or the Association may grant the same by a separate recordable instrument. Declarant or the Association shall have the right to grant such easements on said Properties without conflicting with the terms hereof or consent of the unit owners being required. The easements provided for in this Article VIII shall in no way affect or restrict any other recorded easement on said Properties.

Section 3. Electrical Easements. An easement for underground electrical service along and centered on the service conductor, is hereby granted and may be crossed by driveways and walkways. Such easements for the underground service shall be kept clear of all other improvements, including buildings, patios, or pavings, other than crossing walkways or driveways, and neither Declarant nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers, or other improvements of the owner located on the Properties covered by said easements.

ARTICLE IX.

SEPARATE ASSESSMENT AND TAXATION
--NOTICE TO ASSESSOR

Declarant shall give written notice to the assessor of the County of Arapahoe, Colorado, of the creation of condominium ownership of these Properties as is provided by law, so that each unit and the undivided interest in the general common elements appurtenant thereto and the undivided interest in the Properties upon which the condominium units are located shall be deemed a parcel for the purpose of separate assessment and taxation.

ARTICLE X.

INDEMNIFICATION AND LIMITATION OF
LIABILITY OF ASSOCIATION

Section 1. Indemnification. The Manager, employees of the Association and each Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having acted as such upon behalf of the Association, provided that this indemnification shall not apply if the said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided further that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such person may be entitled.

Section 2. Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Properties, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or by the elements or other owners or persons.

ARTICLE XI.
CONDEMNATION

REV. 2075 11-14-04

Section 1. Condemnation of Whole of the Properties. In the event of a proceeding in condemnation by any governmental authority authorized so to do, of all of the Properties then the proceeds from such condemnation shall be distributed unto the unit owners based upon the insured certificate value of each unit against the total of the proceeds received from such condemnation.

Section 2. Partial Condemnation. In the event of a partial condemnation by any governmental authority authorized so to do, of a portion of the Properties other than a building in which a unit is housed, then the proceeds from condemnation of any common areas shall be distributed unto all of the unit owners based upon the insured certificate value of each unit by a unit owner against the total proceeds.

If a building in which a unit is housed is condemned, then the proceeds of any such condemnation shall be distributed among the unit owners in the building which as been condemned based upon the insured certificate value of each unit to the total proceeds received from such condemnation.

Section 3. Lien holders. In the event, when a condemnation occurs, a unit is subject to an encumbrance then the proceeds due a unit owner by reason of such condemnation shall be paid to the holder of the encumbrance. Any excess amount not required to clear the encumbrance shall be paid to the unit owner.

ARTICLE XII.

CONVEYANCES - DESCRIPTION OF CONDOMINIUM UNITS

Section 1. Division into Fee Simple Estate. The Properties herein described and the improvements thereon are to be divided into the fee simple estates. Each such estate shall consist of the separately designated townhouse unit and the undivided interest in and to the general common elements.

Section 2. Description of Condominium Unit.

(a) Every contract for the sale of a townhouse unit written prior to the filing for record of the Map or Declaration may legally describe a condominium unit by its identifying unit designation, the building number, and the lot, block number and subdivision in which the unit is located. The location of such condominium unit shall be depicted on the Map subsequently filed for record.

(b) Every contract, deed, lease, mortgage, trust deed, will or other instrument may legally describe a condominium unit by its identifying unit designation, the building number, and lot and block number and subdivision, with further reference to the Map and Declaration filed or to be filed for record. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the unit, but also an interest in the general common elements appurtenant thereto. Each such description shall be construed to include a perpetual non-exclusive easement for ingress and egress to and from an owner's unit on, over and across any private street and exclusive use of the limited common elements appurtenant to his unit.

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

Section 3. Integration of Interest. A conveyance by an owner of a Condominium Townhouse shall include all interest of the owner therein, all rights acquired by him in the Properties and General Common Elements, his interest in the building of which the unit is a part and his interest in the recreational areas and facilities. All of the aforesaid interests of an owner shall be considered inseparable and no separate conveyances (including encumbrances) shall be made of such interests to any grantee.

ARTICLE XIII.

2075 40455

AMENDMENTS

The Declaration of Condominium as herein set forth shall remain in full force and effect for as long as said property remains as a condominium, provided, however, that the Declaration of Condominium herein contained may be amended by the vote of owners representing 75% of the interests in the Properties. Whenever an owner's interest is subject to a mortgage, his affirmative vote shall be included in said required percentage only upon concurrence of his mortgagee. Such amendments shall be effective only upon the recordation of the certificate setting forth the amendment signed by the owners and their mortgagees representing not less than 75% of all the interests in the Properties. No amendments to this Declaration shall be in conflict with the laws of Colorado pertaining to a condominium or any provisions contained herein pertaining to the rights of Declarant.

ARTICLE XIV.

GENERAL PROVISIONS

Section 1. Enforcement. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Section 2. Invalidity: The invalidity of any provisions of this Declaration shall not be deemed to impair or 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 had never been included herein.

Section 3. Severability. Invalidation of any one or more of the covenants or restrictions herein contained by judgment or court order shall in no wise affect any other provisions hereof which shall remain in full force and effect.

Section 4. 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.

Section 5. Duration. The Declarations herein contained are hereby declared to be

and shall be covenants running with the land. The covenants and restrictions of this Declaration shall be binding upon the owners of undivided interests in the Properties, their successors, assigns, legal representatives, devisees and heirs-at-law.

Section 6. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

Section 7. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized officers and its corporate seal to be affixed this 14th day of November, 1972.

YALE PROPERTIES, INC.

By *Frank J. ...*
Vice President

ATTEST:

Maria S. ...
Assistant Secretary



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STATE OF COLORADO)
City and County of Denver) ss.

The foregoing instrument was subscribed and sworn to before me this 14th day
of November, 1972, by Forrest G. Kellison, as Vice
President, and Marion K. Pettee, as Assistant Secretary, of YALE
PROPERTIES, INC.

My commission expires June 26, 1976

WITNESS my hand and official seal.



Marion P. Nardino
Notary Public

APPROVED:

THE HEATHERRIDGE SOUTH ASSOCIATION

By *William P. [Signature]*
President

AMENDMENT TO DECLARATION OF CONDOMINIUM
HEATHERRIDGE SOUTH

Pursuant to Article XIII of the Declaration of Condominium of HeatherRidge South, of record in Book 2075 at Page 429 of the records of the Clerk and Recorder of the County of Arapahoe, State of Colorado, the Owners hereby amend said Declaration of Condominium of HeatherRidge South in the following manner:

Article III, Section 2. Voting.

Delete: Last sentence which reads, "Each such member, when entitled to vote, shall have one vote regardless of the number of Owners of the condominium unit."

Substitute: Where such units are owned by more than one Owner, such Owners shall, by a written instrument, designate one of such Owners to be the voting member. In the absence of such designation, the Board of Directors may designate one of the unit Owners to be the voting member. Only one vote shall be permitted for each townhouse unit."

All other terms and conditions of the aforesaid Declaration of Condominium of HeatherRidge South shall remain the same as recorded.

In witness whereof, the Owners have caused the Amendment to the Declaration of Condominium of HeatherRidge South to be executed by its duly authorized officers this 14th day of May, 1976.

Emil Tanassy
President

STATE OF Colorado
COUNTY OF Arapahoe ss.

Wilma Pozner
Secretary

The foregoing instrument was acknowledged before me this 14th day of May, 1976, by

Emil Tanassy, President, HeatherRidge South Association
Wilma Pozner, Secretary, HeatherRidge South Association
(insert names of officers, as signed above, titles, and name of the corporation)

In witness whereof I have hereunto set my hand and seal.
My commission expires My Commission expires September 22, 1979

Clara S. Hena
Notary Public

