

CONDOMINIUM DECLARATION
OF
IRONSTONE CONDOMINIUMS AT STROH RANCH

Dated _____, 2004

[IMPORTANT NOTICE TO BUYERS:

THIS DOCUMENT IS SUBJECT TO REVISION AND MODIFICATION BY THE
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IMPACTS YOUR UNIT, SELLER/DECLARANT WILL PROVIDE YOU WITH A COPY OF
THE REVISED DOCUMENT.]

Upon recording return this document to:
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**CONDOMINIUM DECLARATION OF
IRONSTONE CONDOMINIUMS AT STROH RANCH**

THIS CONDOMINIUM DECLARATION OF IRONSTONE CONDOMINIUMS AT STROH RANCH (the "Declaration") is made as of _____, 2004 by BAYVIEW IRONSTONE, LLC, a Delaware limited liability company (the "Declarant").

RECITALS

- A. Declarant is owner of that certain real property located in the County of Douglas, Colorado, more particularly described on the attached Exhibit A, including the improvements located thereon (the "Property"); and
- B. Declarant will hold and convey the Property subject to the protective covenants, conditions, and restrictions, as hereinafter set forth; and
- C. Declarant hereby submits the Property, 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 (the "Act"), to create a condominium common interest community. In the event the said Act is repealed, the Act as it exists on the date this Declaration is recorded shall remain applicable.

ARTICLE 1

DECLARATION; SUBMISSION; ASSIGNMENT

Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following covenants, restrictions and easements, and the above Recitals which are a material part of this Declaration, which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Property. Additionally, Declarant hereby submits the Property to the provisions of the Act, in order to create a condominium common interest community.

ARTICLE 2

DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration shall have the following meanings:

Section 2.1 "Agency" means any agency or corporation such as the U.S. Department of Housing and Urban Development ("HUD"), U.S. Veterans' Administration ("VA"), Federal National Mortgage

Association ("FNMA") or Federal Home Loan Mortgage Corporation ("FHLMC") that purchases or insures residential mortgages.

Section 2.2 "Allocated Interests" means the undivided interest in the Common Expenses, Common Elements and votes in the Association allocated to each Residential Unit, Garage Unit and Storage Unit (defined below, and collectively referred to herein as "Condominium Units") as set forth on Exhibit B attached hereto. The formulas for the Allocated Interests for each Residential Unit, Garage Unit and Storage Unit are as follows:

2.2.1. *Residential Units.* Residential Units are assigned basis points to determine (i) fractional shares of Common Expenses and (ii) fractional shares of ownership of Common Elements, which basis points are based on the interior floor area that each Residential Unit bears to the interior floor area of all Residential Units, and the square footage and Allocated Interest of each Residential Unit as shown on Exhibit B shall be conclusively determinative thereof. A Residential Unit's Allocated Interest is determined by dividing the Residential Unit's basis points by the total number of all basis points assigned to all Residential Units, Garage Units and Storage Units.

2.2.2. *Garage and Storage Units.* Since the Garage Units and Storage Units do not contain square footage directly usable for residential purposes, each Garage Unit is allocated five basis points and each Storage Unit is allocated one basis point to determine (i) fractional shares of Common Expenses and (ii) fractional shares of ownership of Common Elements. Each Garage Unit's and Storage Unit's Allocated Interest, as shown on Exhibit B (which shall be conclusively determinative thereof), is determined by dividing the Garage Unit's or Storage Unit's basis point(s) by the total number of all basis points assigned to Residential Units, Garage Units and Storage Units.

2.2.3 *Votes.* Each Residential Unit is entitled to one vote in the Association for matters in which Owner consent is required. Each Garage Unit or Storage Unit is entitled to 1/20th of one vote in the Association for matters in which Owner consent is required.

Section 2.3 "Articles" mean the Articles of Incorporation for Ironstone Condominiums at Stroh Ranch Owners Association, Inc., a Colorado non-profit corporation, currently on file with the Colorado Secretary of State, and any amendments that may be made to those Articles from time to time.

Section 2.4 "Annual Assessment" or "Assessments" means the Annual, Special and Default Assessments levied pursuant to Article 11 below. Assessments are also referred to as a Common Expense Liability as defined under the Act.

Section 2.5 "Association" means Ironstone Condominiums at Stroh Ranch Owners Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

Section 2.6 "Association Documents" means this Declaration, the Articles, the Bylaws, the Map, any Alteration Guidelines (as defined in Article 16), and any budget, procedures, rules, regulations or policies adopted under such documents by the Association.

Section 2.7 "Board" means the governing body of the Association.

Section 2.8 “Building” means each building constructed on the Property containing the Condominium Units. The Buildings are further described in Section 3.5 below.

Section 2.9 “Bylaws” means the Bylaws adopted by the Association, as amended from time to time.

Section 2.10 “Ceiling” means the interior surface of the ceiling of a Condominium Unit.

Section 2.11 “Clerk and Recorder” means the office of the Clerk and Recorder in the County of Douglas, Colorado.

Section 2.12 “Common Elements” means all portions of the Project except the Condominium Units. The Common Elements are owned in common by the Owners in undivided interests according to the Allocated Interests set forth pursuant to Section 2.2. above and consist of General Common Elements and Limited Common Elements.

2.12.1 “General Common Elements” means all tangible physical properties of this Project except the Limited Common Elements and the Condominium Units.

2.12.2 “Limited Common Elements” means those parts of the Common Elements which are either limited to or reserved in this Declaration, on a Map, in a recorded certificate or deed executed by Declarant pursuant to Article 15, or by authorized action of the Association, for the exclusive use of an Owner, or are limited to and reserved for the common use of more than one but fewer than all Owners. Notwithstanding the foregoing, an LCE Parking Space (as defined below) may be allocated to a Residential Unit either (a) by designation on the Map, (b) pursuant to a conveyance deed from the Declarant to a buyer of the Residential Unit, or (c) as otherwise provided in accordance with section 15.2 below. However, Declarant is under no obligation to allocate any parking as Limited Common Elements.

Section 2.13 “Common Expenses” means (i) all expenses expressly declared to be common expenses by this Declaration or the Bylaws of the Association; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the Common Elements; (iii) insurance premiums for the insurance carried under Article 10; and (iv) all expenses lawfully determined to be common expenses by the Board.

Section 2.14 “Condominium Units” or “Units” means the Residential Units, the Garage Units and the Storage Units, as further defined below and depicted on the Map.

Section 2.15 “County” means the County of Douglas, Colorado.

Section 2.16 “Declarant” means BAYVIEW IRONSTONE, LLC, a Delaware limited liability company and any of its successors or assigns who have received an assignment of the Declarant’s rights pursuant to the Act.

Section 2.17 “Declaration” means this Declaration and the Map, and amendments and supplements to the foregoing.

Section 2.18 "Exterior Walls" means the walls bounding a Condominium Unit on all sides.

Section 2.19 "First Mortgage" means any Mortgage the priority of which is not subject to any monetary lien or encumbrance except liens for taxes or other liens that are given priority by statute.

Section 2.20 "First Mortgagee" means any person named as a Mortgagee in any First Mortgage.

Section 2.21 "Garage Unit" means the space contained within an area bounded by the unfinished surface of the floor (and including the surface of the floor), the unfinished surface of the Ceiling (and including the surface of the Ceiling) within a parking garage and within the lines designated on the Map. The Map depicts the location, boundaries and identification of ninety-six (96) Garage Units. A Garage Unit shall be deemed a "Unit" as defined in the Act. Garage Units may only be conveyed to Owners of Residential Units by deed as provided in this Declaration.

Section 2.22 "LCE Parking Space" means a parking space depicted and numbered on the Map (excluding the Garage Units) that has been allocated for exclusive use to one or more, but fewer than all, of the Residential Units in the Project. An LCE Parking Space may be allocated to a Residential Unit either (a) by designation on the Map, (b) pursuant to a conveyance deed from the Declarant to a buyer of a Residential Unit, or (c) as otherwise provided in accordance with section 15.2 below. However, Declarant is under no obligation to allocate any parking as Limited Common Elements.

Section 2.23 "Manager" means a person or entity engaged by the Association to perform certain duties, powers or functions of the Association, to the extent the Board may authorize from time to time.

Section 2.24 "Map" means the condominium map of the Project prepared in accordance with the Act and recorded with the Clerk and Recorder, depicting a plan and elevation schedule of all or a part of the Property subject to this Declaration, and any supplements and amendments thereto.

Section 2.25 "Member" means every person or entity that holds membership in the Association by virtue of ownership of a Condominium Unit.

Section 2.26 "Mortgage" means any mortgage, deed of trust or other document conveying any Residential Unit or interest therein to a Mortgagee, but only as security for payment of a debt or obligation and not intended to initially convey fee simple title thereof.

Section 2.27 "Mortgagee" means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.28 "Owner" means the owner of record, whether one or more persons or entities, of fee simple title to any Condominium Unit, and "Owner" also includes the purchaser under a contract for deed covering a Condominium Unit with a current right of possession and interest in the Condominium Unit.

Section 2.29 "Owner's Agent" means members of the Owner's family, or the Owner's agent, employee, invitee, licensee or tenant.

Section 2.30 "Person(s)" means any natural person or any legal association of persons including, but not limited to, partnerships, limited partnerships, corporations, limited liability entities or associations recognized under Colorado law.

Section 2.31 "Project" means the condominium common interest community created by this Declaration and as shown on the Map consisting of the Property, the Condominium Units and the Common Elements.

Section 2.32 "Residential Unit" means, with respect to enclosed units intended for residential use, one individual airspace unit and the interior surface of the Exterior Walls. The lower boundary for each Residential Unit is the surface of the floor extending to the inside of the Exterior Walls of the Residential Unit. The upper Residential Unit boundary for each Residential Unit is the interior surface of the Ceiling of the Residential Unit. Each Residential Unit also includes the airspace contained within the Exterior Walls, windows, doors and unfinished surfaces of Exterior Walls, as shown on the Map. The Residential Units are further described in Section 3.5 hereof.

Section 2.33 "Storage Units" means one of the Storage Units as shown on the Map and as herein described. Each Storage Unit shall be identified on the Map and on the physical Storage Unit itself by a space number or letter. The boundaries of each Storage Unit shall be shown on the Map. The boundaries of a Storage Unit shall be the interior space, the interior surfaces of the walls, floors, and ceilings of the space and the door of the Storage Unit. Any Common Elements which may be within a Storage Unit shall not be considered a part of the Storage Unit, although an easement for encroachment thereof shall exist as otherwise provided in this Declaration. A Storage Unit shall be deemed a "Unit" as defined in the Act. Storage Units may only be conveyed to Owners of Residential Units by deed as provided in this Declaration.

Section 2.34 "Stroh Ranch Business Circle Association" means the Stroh Ranch Business Circle Association formed pursuant to the Stroh Ranch Business Circle Declaration. The Project is assessed its share of certain expenses of the Stroh Ranch Business Circle Association, as further described pursuant to the Stroh Ranch Business Circle Association's Declaration and herein.

Section 2.35 "Stroh Ranch Business Circle Declaration" means that certain Declaration of Covenants, Conditions and Restrictions for Stroh Ranch Business Circle recorded on April 13, 1998 at reception no. 9826290 in the real estate records of the County, as amended.

Section 2.36 "Successor Declarant" means (1) any person or entity to whom Declarant assigns any or all of its rights, obligations or interest as Declarant, as evidenced by an assignment or deed of record executed by both Declarant and the transferee or assignee and recorded with the Clerk and Recorder, and (2) any Mortgagee holding a Mortgage encumbering that portion of the Project owned by Declarant at such time as said Mortgagee shall gain title to said portion of the Project through foreclosure or deed in lieu of foreclosure.

Section 2.37 "Supplemental Declaration" means an instrument that amends this Declaration in accordance with the amendment provisions herein or under the Act if not otherwise provided herein.

Section 2.38 “Supplemental Map” means a supplemental Map of the Project that depicts any change in the Project through a Supplemental Declaration, or which otherwise corrects or amends the Map in accordance with the Act.

Each capitalized term not otherwise defined in this Declaration or in the Map shall have the same meanings specified or used in the Act.

ARTICLE 3

NAME, DIVISION INTO UNITS; DESCRIPTION

Section 3.1 Name.

The name of the Project is Ironstone Condominiums at Stroh Ranch. The Project is a condominium pursuant to the Act.

Section 3.2 Association.

The name of the Association is Ironstone Condominiums at Stroh Ranch Owners Association, Inc. The Association has been incorporated as a nonprofit corporation under the laws of the State of Colorado.

Section 3.3 Number of Units.

The Project shall consist of 372 Residential Units, 96 Garage Units and 93 Storage Units, for a total of 561 Condominium Units. Each Condominium Unit shall consist of the fee simple ownership interest in the Condominium Unit as defined in this Declaration and an undivided fee simple ownership interest in the Common Elements as defined in this Declaration.

Section 3.4 Identification of Units.

The identification number and street address of each Residential Unit is shown on the Map. The identification number or letter of each Garage Unit and Storage Unit is also shown on the Map.

Section 3.5 Description of Condominium Units; Buildings; Inseparability; Transfer.

3.5.1 *Description.* The provisions of §38-33.3-202 of the Act, entitled “Unit Boundaries,” are generally applicable to the Condominium Units. The Condominium Unit Boundaries are generally shown on the Map, and are generally enclosed and bounded by the following boundaries:

3.5.1 (a) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, and finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Condominium Unit, and all other portions of the walls, floors or ceilings are a part of the Common Elements.

3.5.1 (b) If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or other fixture which lies partially within and partially outside the designated boundaries of a Condominium Unit, any portion thereof serving only that Condominium Unit is a Limited Common Element allocated solely to that Condominium Unit, and any portion thereof serving more than one Condominium Unit or any portion of the Common Elements is a General Common Element.

3.5.1 (c) Subject to the provisions of paragraph 3.5.1 (b) above, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Condominium Unit are a part of the Condominium Unit.

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

3.5.1 (e) The lower boundary for each Condominium Unit is the exterior surface of the floor of the lowest level of the Condominium Unit. The upper Condominium Unit boundary for each Condominium Unit is the interior surface of the Ceiling of the highest level of each Condominium Unit.

3.5.2 *Buildings.* All portions of each Building, excluding the Condominium Units and the Limited Common Elements allocated (on the Map or pursuant to this Declaration) to fewer than all the Condominium Units in the Building, are General Common Elements.

3.5.3 *Inseparability.* Each Condominium Unit as defined above and the appurtenant interest in the Common Elements shall comprise one Condominium Unit, shall be inseparable and may be transferred, leased, devised or encumbered only as one Condominium Unit. Any attempted transfer of the appurtenant interest in the Common Elements shall be void unless the Condominium Unit to which that interest is allocated is also transferred.

3.5.4 *Transfer.*

Any contract of sale, deed, lease, Mortgage, will or other instrument affecting a Residential Unit may describe it as follows:

CONDOMINIUM RESIDENTIAL UNIT _____,
IRONSTONE CONDOMINIUMS AT STROH RANCH,
County of Douglas, State of Colorado, according to the Condominium Map thereof
recorded on _____, 2004, at Reception No. _____,
and the Condominium Declaration of Ironstone Condominiums at Stroh Ranch
recorded on _____, 2004, at Reception No. _____,
in the records of the Clerk and Recorder of the County of Douglas, Colorado, as
amended from time to time.

Any contract of sale, deed, lease, Mortgage, will or other instrument affecting a Garage Unit may describe it as follows:

CONDOMINIUM GARAGE UNIT _____,
IRONSTONE CONDOMINIUMS AT STROH RANCH,
County of Douglas, State of Colorado, according to the Condominium Map thereof
recorded on _____, 2004, at Reception No. _____,
and the Condominium Declaration of Ironstone Condominiums at Stroh Ranch
recorded on _____, 2004, at Reception No. _____,
in the records of the Clerk and Recorder of the County of Douglas, Colorado, as
amended from time to time.

Any contract of sale, deed, lease, Mortgage, will or other instrument affecting a Storage Unit may describe it as follows:

CONDOMINIUM STORAGE UNIT _____,
IRONSTONE CONDOMINIUMS AT STROH RANCH,
County of Douglas, State of Colorado, according to the Condominium Map thereof
recorded on _____, 2004, at Reception No. _____,
and the Condominium Declaration of Ironstone Condominiums at Stroh Ranch
recorded on _____, 2004, at Reception No. _____,
in the records of the Clerk and Recorder of the County of Douglas, Colorado, as
amended from time to time.

3.5.5 Contracts Entered Into Prior to Recording of Condominium Map and Declaration.

A contract or other agreement for the sale of a Condominium Unit entered into prior to the filing for record of the Map and/or this Declaration in the office of the Clerk and Recorder of the County may legally describe such Condominium Unit in the manner set forth in Section 3.5.4 above and may indicate that the Map and/or this Declaration are to be recorded. Upon recordation of the Map and this Declaration in the County, such description shall be conclusively presumed to describe the corresponding Condominium Unit shown on the Map and such Condominium Unit shall be subject in all respects to this Declaration.

Section 3.6 Stroh Ranch Business Circle Association.

The Property shall be subject to both this Declaration and the Stroh Ranch Business Circle Declaration. The Project, including the Association, shall be a sub-association of the Stroh Ranch Business Circle Association.

ARTICLE 4

USE RESTRICTIONS

Section 4.1 Home Office.

Each Owner shall be entitled to the exclusive ownership and possession of his Residential Unit. Each Residential Unit shall be used and occupied primarily as a residence. No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for

profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted in any Residential Unit except as hereinafter expressly provided. The foregoing shall not, however, be construed in such a manner as to prohibit a Residential Unit Owner from: (i) maintaining his personal professional library in a Residential Unit; (ii) keeping his personal business or professional records or accounts in a Residential Unit; (iii) handling his personal business or professional telephone calls or correspondence from a Residential Unit; (iv) maintaining a computer or other office equipment within the Residential Unit; or (v) utilizing administrative help or meeting with business or professional associates, clients, or customers in the Residential Unit. Any accessory business use of a Residential Unit, permitted by this Section, must be in compliance with all applicable statutes, ordinances and governmental regulations, must not have any adverse impact on the Association (including but not limited to, unreasonable use of the common elements and insurance concerns) and must be conducted in accordance with this Declaration and the Bylaws and rules and regulations of the Association and the Stroh Ranch Business Circle Association, as applicable. The Association may establish and enforce any additional reasonable rules and regulations related to the conduct of business and other activities on the Project premises, including the Condominium Units.

Section 4.2 Leasing.

Subject to the provisions of Section 15.6, an Owner shall have the right to lease his Condominium Unit in its entirety upon such terms and conditions as the Owner may deem advisable; *provided, however*, that, with respect to the leasing of Residential Units, (i) no leases shall be made for less than a six month period; (ii) all leases shall be in writing and shall provide that the lease is subject to the terms of this Declaration, the Bylaws and the rules and regulations of the Association; and (iii) a Residential Unit may be leased only for the uses provided hereinabove. Any failure of a lessee to comply with the terms of this Declaration, any other Association Documents and the Stroh Ranch Business Circle Declaration shall be a default under the lease enforceable by the Association as a third party beneficiary, whether or not the lease contains such a provision. The Board may adopt further rules regarding leasing the Condominium Units that are not inconsistent with the terms of this Declaration.

Section 4.3 Pets.

No household pet or animal shall be allowed in or about the Project, including Common Elements, at any time without close supervision by an Owner. Owners shall be responsible for strict compliance with all laws and any rules or regulations adopted from time to time by the Association related to pet ownership, including any regulation wholly excluding or limiting the number or type of pets allowed, and shall ensure their pet does not interfere with other Owners' quiet use and enjoyment of the Project premises. Owners will be held responsible for any litter, waste, mess or damage created by their pets in the Common Elements and for any offensive noises created by their pets. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such Owner's pet(s), as well as any costs incurred by the Association as a result of such pet(s), and any such amounts shall be and constitute a Default Assessment subject to and enforceable by the Association in accordance with this Declaration.

Section 4.4 Structures.

Except as hereinafter provided and except as reserved by Declarant hereunder, no structure of a temporary character, including but not limited to a house trailer, tent, shack, storage shed, enclosure, or outbuilding, shall be placed or erected upon or within any Condominium Unit or within the Common Elements; no residence shall be occupied in any manner at any time prior to being fully completed; nor shall any residence when completed be in any manner occupied until made to comply with all requirements, conditions, and restrictions set forth herein. However, during the actual construction, alteration, repair or remodeling of a residence, necessary temporary structures for storage of materials may be erected and maintained by the person doing such work, subject to the prior written approval of the Board as to the storage situs and method. The work of constructing, altering or remodeling any residence shall be prosecuted diligently from the commencement thereof until completion.

Section 4.5 Miscellaneous.

4.5.1 Except for rights reserved by the Declarant hereunder and except as approved by the Board, no advertising or signs of any character shall be erected, placed, permitted, or maintained on any Condominium Unit other than an appropriate identifying number.

4.5.2 No clotheslines, dog runs, drying yards, service yards, woodpiles or storage areas (except as depicted on the Map) shall be so located on any Condominium Unit or the Common Elements, including patios, as to be visible from a street, from any other Condominium Unit, or from the General Common Elements.

4.5.3 Absent Board approval, all types of refrigerating, cooling, or heating apparatus shall be concealed within the Condominium Unit and in no event may such an apparatus be placed upon the Common Elements, except for a single cooling condenser serving each Condominium Unit.

4.5.4 No wind generators of any kind shall be constructed, installed, erected or maintained on the Project.

4.5.5 Except to the extent this provision contravenes applicable state or federal law, no satellite dishes or exterior aerials or antennas of any kind may be placed upon the exterior of the Building or upon any part of a Condominium Unit or Common Elements without the prior written approval of the Board, which may impose conditions, including, but not limited to, size or height limitations and screening requirements, as it may deem appropriate, in connection with any approval.

4.5.6 A vehicle may be parked on the Property only if such vehicle is on functioning wheels and completely fits within and is kept within the boundaries of a parking space. The foregoing restriction shall not restrict trucks or other commercial vehicles within the Property that are necessary for construction or for the maintenance of the Common Elements, Condominium Units or any improvements located thereon.

4.5.7 Except as hereinabove provided, no abandoned or inoperable passenger cars or other vehicles of any kind shall be stored or parked on the Project. An "abandoned or inoperable vehicle" shall be defined by the Board by adoption of rules for the Association.

4.5.8 The Association is authorized to adopt rules, regulations and policies setting forth additional restrictions on parking and storage of vehicles within the Project, the assignment and re-assignment from time to time of the use of general common element parking spaces to Owners, storage of materials within the Project, the performance of work within driveways, Garage Units and parking spaces, and the placement of vehicles within driveways, Garage Units and other parking spaces. Garage Units and LCE Parking Spaces (if any) can only be leased to Owners, Residential Unit tenants and the Association; *provided, however*, that this limitation on leasing parking shall not apply to the Declarant.

4.5.9 No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicles, trailers or boats, may be performed or conducted on the Property.

ARTICLE 5

MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 5.1 The Association.

Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Condominium Unit, except as provided in Section 5.2 below.

Section 5.2 Transfer of Membership.

Except as approved by the Association and in order to meet Agency requirements, an Owner shall not transfer, pledge or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Condominium Unit and then only to the purchaser or Mortgagee of his Condominium Unit. The Association shall not create a right of first refusal on any Condominium Unit and Owners may transfer ownership of their Condominium Units free from any such right.

Section 5.3 Membership and Voting.

The Association shall have one (1) class of membership consisting of all Owners, including the Declarant so long as Declarant continues to own an interest in a Condominium Unit. Except as otherwise provided for in this Declaration, each Member shall be entitled to vote in Association matters as set forth in Section 2.2 above. Each Owner, including Declarant while Declarant owns any Condominium Unit, is subject to all the rights and duties assigned to Owners under the Association Documents, subject to special reserved rights of the Declarant as set forth herein. Notwithstanding the number of Owners of record for any particular Condominium Unit, each Residential Unit is entitled to one vote, and each Garage Unit and Storage Unit is entitled to 1/20th of one vote, as further described in Section 2.2 above. Votes cannot be fractionally divided any further.

Section 5.4 Declarant Control.

Declarant shall be entitled to appoint and remove the members of the Association's Board and officers of the Association during the term of Declarant Control. "Declarant Control" begins with the

appointment of the initial Board by Declarant. The period of Declarant Control of the Association shall terminate upon the first to occur of: (a) sixty (60) days after conveyance by Declarant of seventy-five (75%) of the total number of Condominium Units that may be created in the Project to Owners other than a Declarant; or (b) two (2) years after the last conveyance of a Condominium Unit by a Declarant in the ordinary course of business. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the period of Declarant's Control, but, in that event, Declarant may require, for the duration of the period of Declarant's Control, that specified actions of the Association or Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

Notwithstanding the period of Declarant Control, not later than sixty (60) days after conveyance by Declarant of twenty-five percent (25%) of the total number of Condominium Units that may be created in the Project to Owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board will be elected by Owners other than Declarant; and not later than sixty (60) days after conveyance by Declarant of fifty percent (50%) of the total number of Condominium Units that may be created in the Project to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board will be elected by Owners other than the Declarant. Not later than the termination of the period of Declarant's Control as provided above, the Owners (including Declarant) shall elect a Board of at least three (3) members, at least a majority of whom must be Owners other than a Declarant or designated representatives of Owners other than Declarant and the Board shall elect the officers, with such Board members and officers to take office upon election. Within sixty (60) days after the Owners other than Declarant elect a majority of the Board, Declarant shall deliver to the Association all property of the Owners and the Association held or controlled by Declarant, including without limitation those items specified in Section 38-33.3-303(9) of the Act.

Section 5.5 Stroh Ranch Business Circle Association Voting and Delegation.

On behalf of the Owners, the Board shall exercise any voting rights allocated to the Project pursuant to the Stroh Ranch Business Circle Association's governing documents. Notwithstanding any provision in this Declaration to the contrary, the Stroh Ranch Business Circle Association's governing documents shall control the manner in which the Owners are represented within the Stroh Ranch Business Circle Association.

Section 5.6 Books and Records.

The Association shall make available to Owners and to Mortgagees for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of the Association Documents and the books, records and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials. The Association shall maintain such books and records as may be required under the Act.

Section 5.7 Manager.

The Association may employ or contract for the services of a Manager to whom the Board may delegate certain powers, functions or duties of the Association, as provided in the Bylaws of the

Association. The Manager shall not have the authority to make expenditures except as directed by the Board.

Section 5.8 Rights of Action.

The Association on behalf of itself and any aggrieved Owner shall be granted a right of action against any and all Owners for failure to comply with the provisions of the Association Documents, or with decisions of the Board made pursuant to authority granted to the Association in the Association Documents. The Owners shall have a right of action against the Association for failure to comply with the provisions of the Association Documents, or with decisions of the Board made pursuant to authority granted to the Association in the Association Documents. In any action covered by this Section, the Association or any Condominium Unit Owner shall have the right but not the obligation to enforce Association Documents by any proceeding at law or in equity, or as set forth in the Association Documents, or by mediation or binding arbitration if the parties so agree. The prevailing party in any arbitration or judicial relief shall be entitled to reimbursement from the non-prevailing party or parties, for all reasonable costs and expenses, including attorneys' fees in connection with such arbitration or judicial relief. Failure by the Association or by any Owner to enforce compliance with any provision of the Association Documents shall not be deemed a waiver of the right to enforce any provision thereafter.

Section 5.9 Implied Rights and Obligations.

The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, by the Act and by the Colorado Revised Nonprofit Corporation Act.

Section 5.10 Notice.

All notices to the Association or the Board shall be delivered to the office of the Manager, or, if there is no Manager, to the office of the Association, or to such other address as the Board may designate by written notice to all Owners and to all holders of security interests in the Residential Units who have notified the Association that they hold a security interest in a Residential Unit. Except as otherwise provided herein, all notices to any Owner shall be sent to the Owner's address as it appears in the records of the Association. All notices to holders of security interests in the Residential Units shall be sent, except where a different manner of notice is specified elsewhere in the Association Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

Section 5.11 Title to Certain Property.

Declarant may elect to convey to the Association title to the certain property located within the Project, including certain Garage Units and Storage Units, and certain personal property. The Association shall accept title to said property and agrees to own and maintain any property so transferred to the Association by Declarant. Any property or interest in property transferred to the Association by Declarant shall be transferred to the Association free and clear of all monetary liens (other than the lien of real estate taxes not then due and payable).

ARTICLE 6

POWERS OF THE BOARD OF THE ASSOCIATION

Except as provided in the Bylaws and the Act, the Board may act in all instances on behalf of the Association to:

Section 6.1 Adopt and amend rules and regulations regarding the use and enjoyment of the Common Elements and reasonable restrictions on the use of the Condominium Units;

Section 6.2 Adopt and amend budgets for revenues, expenditures and assessments, subject to Section 11.2 below;

Section 6.3 Hire and terminate managing agents and other employees, agents and independent contractors;

Section 6.4 Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Project;

Section 6.5 Make contracts and incur liabilities, except that any contract providing for the services of Declarant may not exceed three years and must provide for termination by either party without cause and without payment of a termination fee on ninety days written notice unless a shorter notice period is mutually agreed to by the parties to the contract;

Section 6.6 Regulate the use, maintenance, repair, replacement and modification of Common Elements;

Section 6.7 Cause additional improvements to be made as part of the Common Elements;

Section 6.8 Acquire, hold, encumber and convey in the name of the Association any right, title or interest to real or personal property, except that Common Elements may be conveyed or subjected to a security interest only if: (a) Members entitled to cast at least sixty-seven percent (67%) of the votes including sixty-seven percent (67%) of the votes allocated to Units not owned by the Declarant agree to that action; (b) the provisions of Article 17 are followed with respect to approval of First Mortgagees; and (c) all Owners to which any Limited Common Element is allocated agree in order to convey that Limited Common Element or subject it to a security interest;

Section 6.9 Grant easements, leases, licenses and concessions through or over the Common Elements, subject to approval by Owners;

Section 6.10 Impose and receive any payments, fees or charges for the use, rental or operation of the General Common Elements, subject to approval by Owners;

Section 6.11 Impose charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association,

regardless of whether or not suit was initiated and, after notice and opportunity to be heard, levy reasonable fines for violations of the Association Documents;

Section 6.12 Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments;

Section 6.13 Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;

Section 6.14 Assign its right to future income, including the right to receive Assessments;

Section 6.15 Exercise any other powers conferred by the Declaration or Bylaws;

Section 6.16 Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and

Section 6.17 Exercise any other powers necessary and proper for the governance and operation of the Association.

ARTICLE 7

MECHANIC'S LIENS

Section 7.1 No Liability.

If any Owner shall cause any material to be furnished to his Condominium Unit or any labor to be performed therein or thereon, no Owner of any other Condominium Unit, nor the Association, shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Condominium Unit.

Section 7.2 Indemnification.

If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Common Elements or against any other Owner's Condominium Unit or an Owner or the Association (whether or not such lien or order is valid and enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall, at his own cost and expense, cause the same to be canceled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and save all the other Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 7.3 Association Action.

Labor performed or materials furnished for the Common Elements, if duly authorized by the Association in accordance with this Declaration or the Bylaws, shall be the basis for the filing of a lien pursuant to law against the Common Elements. Any such lien shall be limited to the Common Elements and no lien may be affected against a Condominium Unit(s).

ARTICLE 8

EASEMENTS

Section 8.1 Recorded Easements.

The Property shall be subject to all easements as shown on any Map or plat, those of record, those provided in the Act (including easements for encroachment set forth in Section 214 of the Act and an easement for maintenance of any such encroachment), and otherwise as set forth in this Article and elsewhere in this Declaration. In addition, pursuant to Section 38-33.3-205(m) of the Act, the recording data for recorded easements and licenses appurtenant to the Project are identified on the attached Exhibit C.

Section 8.2 Declarant's Rights Incident to Construction.

Declarant, for itself and its successors and assigns, the Association and/or for Owners, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Common Elements, together with the right to store materials on the Common Elements, to build and maintain temporary walls, and to make such other use of the Common Elements as may be reasonably necessary or incident to any development and sale of the Condominium Units or improvements on the Property or other real property owned by Declarant, or other properties abutting and contiguous to the Property; *provided, however*, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment or access to the Project by the Owners.

Section 8.3 Utility Easements.

There is hereby created a blanket easement upon, across, over, in and under the Property for the benefit of the Common Elements, the Condominium Units and the structures and improvements situated on the Property for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, cable television and electricity. Said blanket easement includes future utility services not presently available to the Condominium Units and the Common Elements which may reasonably be required in the future. By virtue of this easement, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Condominium Units and the Common Elements and to affix and maintain electrical and/or telephone wires, circuits, conduits and pipes on, above, across and under the roofs and Exterior Walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by the Association as to locations which shall not be unreasonably withheld.

Section 8.4 Reservation of Easements, Exceptions and Exclusions.

The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits or licenses over the Common Elements for the best interest of all the Owners and the Association. Each Owner is hereby granted a perpetual non-exclusive right of ingress to and egress from the Owner's Condominium Unit over and across the General Common Elements and Limited Common Elements appurtenant to that Owner's Condominium Unit, which right shall be appurtenant to the Owner's Condominium Unit, and which right shall be subject to limited and reasonable restriction on the use of Common Elements set forth in writing by the Association, such as for closure for repairs and maintenance.

Section 8.5 Emergency Access Easement.

A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

Section 8.6 Support Easements.

Each Condominium Unit is subject to a blanket easement for support and a blanket easement for the maintenance of structures or improvements presently situated or to be built in the future on the Property.

Section 8.7 Easements for Encroachments.

If any part of the Common Elements encroaches or shall hereafter encroach upon a Condominium Unit, 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 Unit encroaches or shall hereafter encroach upon the Common Elements, or upon another Condominium Unit, the Owner of that Condominium Unit 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 Unit. 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 Project or any part thereof or by any other movement of any portion of the improvements located within the Project.

ARTICLE 9

MAINTENANCE

Section 9.1 Maintenance by Owners.

Each Owner shall maintain and keep in repair his Condominium Unit(s), including the fixtures therein, to the extent current repair shall be necessary in order to avoid damaging other Owners' property. All fixtures and equipment installed within the Condominium Unit commencing at a point where the utilities enter the Condominium Unit shall be maintained and kept in repair by the Owner of such Condominium Unit. An Owner shall do no act or any work that will impair the structural soundness or integrity of the Common Elements or impair any easement. Each Owner shall maintain free from clutter and debris Limited Common Elements allocated to his Condominium Unit, including without limitation patios and LCE Parking Spaces if any. Each Owner shall be responsible for the maintenance of the interior non-supporting walls of his Condominium Unit(s), and the surface materials thereon such as plaster, drywall, paneling, wallpaper, paint, tile and carpeting to the Exterior Walls, ceilings and floors, including doors, windows and screens. The Association reserves the right to assign further maintenance responsibility to the Condominium Unit Owner of certain areas of each Condominium Unit and of other Limited Common Elements allocated to the Owner, and the Condominium Unit Owner is obligated to accept said maintenance responsibility, provided said assignment is done in a uniform and non-discriminatory manner.

Section 9.2 Owner's Failure to Maintain or Repair.

In the event that a Condominium Unit (including the allocated Limited Common Elements, and other property assigned to the Owner for maintenance pursuant to Section 9.1) is not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the property lies with the Owner of the Condominium Unit, or in the event that the Condominium Unit is damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of those portions of the damaged or destroyed property for which the Owner is responsible to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Board (after a determination by the Board that the condition of such Condominium Unit [or other property] negatively impacts other Owners or the value of other Condominium Units within the Project) shall have the right to enter upon the Condominium Unit (or other property) to perform such work as is reasonably required to restore the Condominium Unit (or other property) to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Condominium Unit upon demand. All unreimbursed costs shall be a lien upon the Condominium Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for unpaid Assessments levied in accordance with Article 11 of this Declaration.

Section 9.3 Maintenance by Association.

9.3.1 The Association shall be responsible for the maintenance and repair of the Common Elements, whether located inside or outside of Condominium Units (except as set forth pursuant to Section 9.1 above and unless necessitated by damage caused by the negligence, misuse or tortious act of

an Owner or Owner's Agent as set forth in Section 9.4 below), which shall be the Common Expense of all Owners; *provided, however*, that the Board may determine, in its discretion, that the cost of maintenance and repair of Limited Common Elements undertaken by the Association shall be an expense of the Owner(s) allocated the Limited Common Elements so maintained or repaired.

9.3.2 Except as provided in Section 9.1 above, Association maintenance shall include, but shall not be limited to, upkeep, repair and replacement, subject to any insurance then in effect, of all landscaping, gates, signage, irrigation systems, perimeter fencing, Building fire system, Building security system, Buildings (excluding the Condominium Units), parking spaces, sidewalks, driveways, roofs, laundry rooms, pool, clubhouse, mail room, manager's office (if any) and other improvements located in the Common Elements. In the event the Association does not maintain or repair the Common Elements within thirty (30) days after a written demand by the Declarant, Declarant shall have the right, but not the obligation, to do so at the expense of the Association. If the Declarant elects to conduct any maintenance or repair work on behalf of the Association, the Declarant shall bill the Association for the costs of the work conducted, providing documentation of the charges incurred. The Association shall reimburse the Declarant for the maintenance or repair within fifteen (15) days of the Association's receipt of the Declarant's invoice.

Section 9.4 Association Maintenance as Common Expense.

Except as otherwise provided herein, the cost of maintenance and repair by the Association shall be a Common Expense of all of the Owners, to be shared by each Owner according to the Allocated Interests therefor set forth on Exhibit B. Damage to the interior or any part of a Condominium Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Condominium Unit at the instance of the Association shall also be a Common Expense of all of the Owners. However, if such damage is caused by negligent or tortious acts of an Owner or Owner's Agent, then such Owner shall be responsible and liable for all of such damage and the cost thereof, to the extent that Owner or Owner's Agent's negligence or intentional conduct caused such damage, which must be timely paid.

Section 9.5 Easement for Maintenance.

Each Owner and the Association shall have the irrevocable right, to be exercised only by the Manager, the Board or officers or employees of the Association unless otherwise delegated in writing by the Association, to have access to each Condominium Unit from time to time during reasonable hours on reasonable notice as may be necessary for the maintenance, repair or replacement of any of the Common Elements, or at any hour for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the Common Elements or another Condominium Unit. In the event insurance proceeds under Article 10 are payable to an Owner but the maintenance responsibility of the area to which such proceeds relate is the Association's, the Association shall complete any such repair or replacement at the Owner's cost.

ARTICLE 10

INSURANCE

Section 10.1 General Insurance Provisions.

Not later than the time of the first conveyance by Declarant of a Condominium Unit to a purchaser, the Association shall acquire and pay for, out of the assessments levied under Article 11 below, the following insurance policies carried with reputable insurance companies authorized to do business and licensed to provide insurance in Colorado:

10.1.1 *Property Insurance Coverage.* Property insurance, with extended coverage, including boiler and machinery, fire, vandalism, malicious mischief, all-risk, replacement cost, agreed amount (if the policy includes coinsurance), special condominium, building ordinance and inflation guard endorsements (when they can be obtained), in amounts determined by the Board to represent not less than the full then current insurable replacement cost of the Common Elements, *and including* all fixtures, interior and Exterior Walls and floors, partitions, decorated and finished surfaces of interior and Exterior Walls, floors, and ceilings, doors, windows and other elements or materials which comprise a part of the Condominium Units as originally sold by Declarant to an Owner and which are to be financed by a Mortgage to be purchased by an Agency, including FNMA and FHLMC, *and including* any fixtures, equipment or other property within the Condominium Units when originally sold by Declarant to an Owner and which are to be financed by a Mortgage to be purchased by an Agency, including FNMA and FHLMC, *but excluding* any betterments and improvements made by Owners (after the transfer of title to the Condominium Unit by Declarant) and building excavations and foundations. Maximum deductible amounts for such policy shall be determined by the Board; *provided, however*, that if any Agency requires specific deductibles, the Board shall follow such Agency's requirements. The Association shall obtain insurance covering the specifications of each Condominium Unit as originally sold by Declarant to an Owner. Each Owner shall be responsible for obtaining additional or supplemental insurance covering any additions, alterations or improvements to his Condominium Unit that increase the replacement value of his Condominium Unit (after the transfer of title to the Condominium Unit by Declarant). In the event that satisfactory arrangement is not made for additional insurance by the Owner, the Owner shall be responsible for any deficiency in any resulting insurance loss recovery and the Association shall not be obligated to apply any insurance proceeds to restore the affected Condominium Unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements. Any additional premiums attributable to the original specifications of a Condominium Unit for which the insurance is increased as herein provided may be the subject of a lien for nonpayment as provided in Section 11.7 hereof in the event the Association pays such premium for an Owner. Subject to Section 10.2 below, such property insurance policy must be written by an insurance carrier that has an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports International Edition.

10.1.2 *Comprehensive Liability.* Comprehensive general public liability and property damage insurance in such amounts as the Board deems desirable, provided that such coverage shall be for at least \$1,000,000 for bodily injury, including deaths and property damage arising out of a single occurrence insuring the Association, the Board, the Manager or managing agent, or both, if any, and their respective agents and employees, and the Owners from liability in connection with the operation,

maintenance and use of the Common Elements including a “severability of interest” clause or specific endorsement. Such coverage shall also include legal liability arising out of contracts of the Association and such other risks as are customarily covered with respect to condominiums similar to the Project in the Denver metropolitan area including automobile liability insurance if appropriate. The Board shall not enter into employment contracts or independent contractor contracts of any kind unless the contracting party provides evidence (such as a Certificate of Insurance) to the Board that such party has current satisfactory insurance, including workers compensation insurance, commercial general liability insurance and automobile insurance on all of which the Association is named as an additional insured.

Section 10.2 Form.

The insurance policies may be carried in blanket policy form naming the Association as the insured, for the use and benefit of and as attorney-in-fact for the Owners. Each Owner shall be an insured person under the policy with respect to liability arising out of such Owner’s interest in a Condominium Unit and in the Common Elements or membership in the Association. Each Mortgagee and its successors or assigns shall be a beneficiary of the policy in the percentages of Allocated Interests for the Condominium Unit that the Mortgage encumbers. The insurance company shall waive its rights of subrogation under the insurance policy against any Owner or member of the Owner’s household. No act or omission by any Owner, unless acting within the scope of such Owner’s authority on behalf of the Association, shall void the insurance policy or be a condition to recovery under the insurance policy. If, at the time of a loss under an insurance policy described above there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association’s policy shall provide primary insurance.

Section 10.3 Owners’ Insurance.

Insurance coverage on the furnishings and other items of personal property belonging to an Owner and any additions and alterations to a Condominium Unit which increase the Condominium Unit’s replacement value above that of the specifications for the Condominium Unit as originally sold by Declarant to an Owner, casualty and public liability insurance coverage for each Condominium Unit and the work within each Condominium Unit or on the Limited Common Elements associated therewith shall be the responsibility of the Owner of the Condominium Unit.

Section 10.4 Certificates of Insurance: Cancellation.

Certificates of insurance shall be issued by the Association to each Owner and Mortgagee upon written request to the Association. All policies required to be carried under this Article 10 shall provide a standard non-contributory mortgagee clause in favor of each First Mortgagee of a Unit and shall provide that such policy cannot be canceled by the insurance company without at least thirty (30) days prior written notice to each Owner and each First Mortgagee whose address is shown in the records maintained pursuant to the Association’s documents. If the Association’s insurance described in Article 10 is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and to all First Mortgagees.

Section 10.5 Insurance Proceeds.

Any loss covered by the property insurance policy described in Section 10.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 10.7 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 10.6 Insurer Obligation.

An insurer that has issued an insurance policy for the insurance described in Sections 10.1, 10.2 and 10.9 or its agent shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses, and to any servicer of any other Mortgage.

Section 10.7 Repair and Replacement.

Any portion of the Common Elements for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

10.7.1 The common interest community created by this Declaration is terminated in which case the approval must first be obtained from Owners holding at least sixty-seven percent (67%) of the votes in the Association, and the Declarant during the Declarant Control Period (as set forth in Section 5.4 hereof);

10.7.2 Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;

10.7.3 There is a vote not to rebuild by (a) Owners holding at least sixty-seven percent (67%) of the votes of the Association, (b) every Owner of a Condominium Unit or assigned Limited Common Element that will not be rebuilt, and (c) the Declarant during the Declarant Control Period (as set forth in Section 5.4 hereof); or

10.7.4 Prior to the conveyance of any Condominium Unit to a person other than Declarant, the Mortgagee holding a Mortgage on the damaged portion of the Common Elements rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement of Common Elements in excess of insurance proceeds and reserves is a Common Expense, except as otherwise determined by the Board. If all the Common

Elements are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project, and except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear in proportion to each Condominium Unit's Allocated Interests.

Section 10.8 Common Expenses.

Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses, *provided, however*, that if the Association's property and extended coverage insurance covers Limited Common Elements, fixtures, equipment or other property within or associated with some but not all of the Condominium Units (as required by any Agency including FNMA or FHLMC), or other insurance attributable to some but not all of the Condominium Units, the Association reserves the right to charge the Owners of such Condominium Units for which the Association provides additional insurance coverage, an amount equal to the premium attributable to such additional insurance coverage as calculated by or through the Association.

Section 10.9 Fidelity Insurance.

Fidelity insurance or fidelity bonds must be maintained by the Association to protect against acts and inaction on the part of its officers, directors, trustees and employees, and on the part of all others, including any Manager hired by the Association, who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than the greater of (a) \$50,000, or (b) the estimated maximum of funds, including reserve funds, in the custody of the Association or management agent as the case may be, at any given time during the term of each policy as calculated from the current budget of the Association but in no event less than a sum equal to three (3) months' aggregate assessments plus reserve funds. In addition, if responsibility for handling funds is delegated to a Manager, such insurance or bonds must be obtained by or for the Manager and its officers, employees and agents, as applicable. Such fidelity insurance or bonds shall name the Association as insured and shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 10.10 Workers' Compensation Insurance.

The Board shall obtain Workers' Compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.

Section 10.11 Other Insurance.

The Association shall maintain flood insurance if any part of the Project is located within a Special Flood Hazard Area on a Flood Insurance Rate Map, equal to the lesser of 100% of the insurable value of the Project or the maximum coverage available under the appropriate National Flood Insurance Program. The Association shall also maintain Directors and Officers insurance to the extent reasonably available and in such amounts as the Board may deem appropriate on behalf of the Board and its officers against any liability asserted against a member of the Board or an Association officer or incurred by him in his capacity of or arising out of his status as a member of the Board or an officer. The Board may

obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties or as requested by an Agency.

ARTICLE 11

ASSESSMENTS

Section 11.1 Obligation.

Each Owner, including Declarant while an Owner of any Condominium Unit, is obligated to pay to the Association all: (1) Annual Assessments; (2) Special Assessments; and (3) Default Assessments described below. In addition, the Owner of a Condominium Unit shall be required to pay any fees owing to the Cherry Creek South Metro District #1 (if applicable) and the Stroh Ranch Business Circle Association, and the Owner of a Garage Unit shall be obligated to pay a Garage Unit assessment, if applicable, as described in Section 11.4 below. As a part of the Annual Assessments, the Association shall collect from the Owners all fees owing to the Stroh Ranch Business Circle Association, and the Association shall pay, when due pursuant to the Stroh Ranch Business Circle Declaration, all fees owing to the Stroh Ranch Business Circle Association. The Stroh Ranch Business Circle Association assesses fees on a semi-annual basis, and the Association shall pay such fees accordingly. The Stroh Ranch Business Circle Association will send assessment notices to the Association or its designated Manager, and not to each Owner.

Section 11.2 Budget.

The Board shall adopt a budget for revenues, expenditures and reserves for the Project and shall submit the budget to ratification of the Owners as provided herein no less frequently than annually. The Board shall levy and assess the Annual Assessments in accordance with the annual budget. Within ninety (90) days after the adoption of a proposed annual budget for the Association, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget within a reasonable time after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the annual budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Section 11.3 Annual Assessments.

11.3.1 Annual Assessments made for Common Expenses shall be based upon the estimated cash requirements as the Board shall from time to time determine to be paid by all of the Owners, subject to Section 11.2 above. Estimated Common Expenses shall include the cost of routine maintenance and operation of the Common Elements, including but not limited to that portion of real property taxes, if any, attributable to the Common Elements, expenses of management and insurance premiums for insurance coverage as deemed desirable or necessary by the Association, landscaping of the General Common Elements, care of grounds within the General Common Elements, routine repairs, renovations and upkeep within the Common Elements and parking spaces and wages, water, sewer service and common utility

charges, snow and trash removal, recycling charges, upkeep of the laundry rooms, pool, clubhouse and mail rooms, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, payment of any default remaining from a previous assessment period, and the creation of a reasonable and adequate contingency or other reserve or surplus fund for insurance deductibles and general, routine maintenance, repairs and replacement of improvements within the Common Elements on a periodic basis, as needed, and any fees owing to the Cherry Creek South Metro District #1 and the Stroh Ranch Business Circle Association.

11.3.2 Annual Assessments shall be payable in monthly installments on a prorated basis in advance and shall be due on the first day of each month beginning no later than the second calendar month following the first sale of a Condominium Unit by Declarant; *provided, however*, that the Association may, with the consent of Owners holding a majority of the vote present at any meeting at which a quorum is present, designate any other installment period. The omission or failure of the Association to fix the Annual Assessments for any assessment period shall not be deemed a waiver, modification or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year.

Section 11.4 Apportionment of Annual Assessments; Garage and Storage Unit Assessment.

The Common Expenses shall be allocated among the Condominium Units on the basis of the Allocated Interests for Common Expenses in effect on the date of assessment, *provided, however*, that the Association reserves the right to allocate all expenses relating to fewer than all of the Condominium Units (such as those expenses attributable to utilities, Limited Common Elements, Garage Units, Storage Units and insurance premiums described in Section 10.8) to the Owners of those affected Condominium Units only. To this end, the Association may adopt, as a part of each budget, a separate assessment against Owners of Garage Units and/or a separate assessment against Owners of Storage Units to cover the Association's expenses in maintaining and repairing the Common Elements constituting the garage buildings and related appurtenances as depicted on the Map as applicable. The separate Garage Unit and Storage Unit assessment may, at the election of the Association, constitute a portion of or the entire assessment to be made against Garage Unit and Storage Unit Owners relating to the Garage Units and Storage Units notwithstanding the allocation of common expense liability assigned to Garage Units and Storage Units pursuant to Section 2.2 and Exhibit B hereof.

Section 11.5 Special Assessments.

In addition to the Annual Assessments, the Association may levy in any fiscal year one or more Special Assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements or for any other expense incurred or to be incurred as provided in this Declaration. This Section 11.5 shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration. Any amounts assessed pursuant to this Section shall be assessed to Owners according to their Allocated Interests for Common Expenses, subject to the right of the Association to assess only against the Owners of affected Condominium Units

(1) any extraordinary maintenance, repair or restoration work on fewer than all of the Condominium Units or Limited Common Elements, (2) any extraordinary insurance costs incurred as a result of the value of a particular Owner's Condominium Unit or Limited Common Elements, or (3) by virtue of the negligent or intentional actions of a particular Owner or Owner's Agents. Notice in writing of the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than ten (10) days after such notice shall have been given.

Section 11.6 Default Assessments.

All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment. Notice in writing of the amount of such Default Assessment and the time for payment of the Default Assessment shall be given promptly to the Owners, and no payment shall be due less than ten (10) days after such notice shall have been given. If payment is not made on or before the date set forth in such written notice, the Default Assessment shall become a lien against such Owner's Unit that may be foreclosed or otherwise collected as provided in this Declaration.

Section 11.7 Effect of Nonpayment; Assessment Lien.

Any Assessment installment, whether pertaining to any Annual, Special or Default Assessment, which is not paid on or before five (5) days after its due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

- (i) Assess a late charge for each delinquency in such amount as the Association deems appropriate;
- (ii) Assess an interest charge from the due date at the yearly rate of six (6) percentage points above the prime rate charged by the Association's bank, or such other lawful rate as the Board may establish, not to exceed the maximum rate allowable under applicable state usury laws;
- (iii) Suspend the voting rights of the Owner during any period of delinquency;
- (iv) Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year or other predetermined assessment period shall be due and payable at once;
- (v) Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and
- (vi) Proceed with foreclosure as set forth in more detail below.

Subject to Section 17.1 below, Assessments chargeable to any Condominium Unit shall constitute a lien on such Condominium Unit. The Association may institute foreclosure proceedings against the defaulting Owner's Condominium Unit in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the

amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Owner shall be required to pay the Association the monthly assessment installments for the Condominium Unit during the period of any foreclosure. The Association shall have the power to bid on a Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. This Section 11.7 is subject to the Mortgagees Rights set forth in Section 17.1 below.

Section 11.8 Personal Obligation.

Each Assessment against a Condominium Unit is the personal obligation of the person or persons who owned the Condominium Unit at the time the Assessment became due and shall also pass to successors in title. *By acceptance of a deed for a Condominium Unit, each Condominium Unit purchaser thereby consents to assume the foregoing joint obligation for all Assessments due against the Condominium Unit pursuant to this Section.* No Owner may exempt himself from liability for the Assessment by abandonment of his Condominium Unit or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings and all reasonable attorney's fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration. This Section 11.8 is subject to the Mortgagees Rights set forth in Section 17.1 below.

Section 11.9 Payment by Mortgagees.

Any Mortgagee holding a lien on a Condominium Unit may pay any unpaid Assessment payable with respect to such Condominium Unit, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Condominium Unit for the amounts paid with the same priority as the lien of the Mortgage.

Section 11.10 Statement of Status of Assessment Payment.

Upon payment of a reasonable fee set from time to time by the Board and upon written request to the Association's registered agent by personal delivery or certified mail, first-class postage prepaid, return receipt, any Owner, designee of Owner, Agency, Mortgagee, prospective Mortgagee or prospective purchaser of a Condominium Unit shall be furnished with a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Condominium Unit. Unless such statement shall be issued by personal delivery or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery) within fourteen (14) calendar days after receipt of the request, the Association shall have no right to assert a lien upon the Condominium Unit over the inquiring party's interest for unpaid Assessments which were due as of the date of the request.

Section 11.11 Capitalization of the Association.

The Association shall establish an initial working capital fund equal to two-twelfths (2/12) of the estimated Annual Assessments for Common Expenses for each Residential Unit subject to the terms of this Declaration. The working capital fund may be used by the Association for emergencies, insurance

deductibles in the event of casualty or other loss, capital expenditures for repair or replacement of Common Elements, and such other expenses which do not occur on a regular and on-going basis, as may be determined by a majority of the Board. The initial working capital fund shall be established and Annual Assessments shall commence upon the conveyance of the first Residential Unit in the Project by Declarant to a third-party purchaser. Upon acquisition of record title to a Residential Unit from Declarant, each such new Owner shall contribute to the working capital fund of the Association an amount equal to two-twelfths (2/12) of the Annual Assessment determined by the Board for that Residential Unit for the year in which the new Owner acquired title. Such payments shall not be considered advance payments of Annual Assessments. The working capital fund deposit made by such new Owner(s) shall be non-refundable. In the event that the Declarant contributes to the Working Capital Fund for a Residential Unit(s) prior to the closing of the initial sale of such unit(s), then at the closing of such Residential Unit(s) the purchaser will reimburse Declarant for such Working Capital Fund contribution. The working capital fund must be maintained by the Association in a segregated account, and may not be used by the Declarant to defray any of its expenses, reserve contributions, or construction costs.

Section 11.12 Maintenance Accounts; Accounting.

If the Association delegates powers of the Board or its officers relating to collection, deposit, transfer or disbursement of Association funds to other persons or to a Manager, then such other persons or Manager must: (a) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or Manager; (b) maintain all reserve and working capital accounts of the Association separate from the operational accounts of the Association; (c) provide to the Association no less than once per month an accounting for the previous month, including a budget/actual reconciliation report; and (d) provide to the Association an annual accounting and financial statement, including a budget/actual reconciliation report, of Association funds prepared by the Manager, a public accountant or certified public accountant.

ARTICLE 12

DAMAGE OR DESTRUCTION

Section 12.1 The Role of the Board.

Except as provided in Section 10.7, in the event of damage to or destruction of all or part of any Common Element, improvement, or other property covered by insurance written in the name of the Association under Article 10, the Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to Article 10 is sometimes referred to as the "Association-Insured Property").

Section 12.2 Estimate of Damages or Destruction.

As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction

unless the provisions of Section 10.7 apply and approval is obtained by a fifty-one percent (51%) vote of First Mortgagees of Condominium Units subject to First Mortgages (which percentage is measured by the votes allocated to such Condominium Units). Such costs may also include professional fees and premiums for such bonds as the Board or the insurance trustee, if any, determines to be necessary.

Section 12.3 Repair and Reconstruction.

As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 12.4 Funds for Repair and Reconstruction.

The proceeds received by the Association from any property insurance carried by the Association shall be used for the purpose of repair, replacement and reconstruction of the Association-Insured Property for the benefit of Owners and Mortgagees. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Section 11.5, levy, assess and collect from the Owners without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement or reconstruction.

Section 12.5 Disbursement of Funds for Repair and Reconstruction.

The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in accordance with the Condominium Units' Allocated Interests, first to the Mortgagees and then to the Owners, as their interests appear.

ARTICLE 13

CONDEMNATION

Section 13.1 Rights of Owners.

Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain, or whenever all or any part of the Common Elements are conveyed in lieu of a taking under threat of condemnation by the Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 13.2 Partial Condemnation; Distribution of Award; Reconstruction.

The award made for such taking shall be payable to the Association for the benefit of the Owners and Mortgagees and, unless otherwise required under the Act, the award shall be disbursed as follows:

Unless within sixty (60) days after such taking, Declarant and/or Owners who combined represent at least sixty-seven percent (67%) of the votes in the Association and fifty-one percent (51%) of First Mortgagees of Condominium Units subject to First Mortgages (which percentage is measured by the votes allocated to such Condominium Units) shall otherwise agree, if the taking involves a portion of the Common Elements on which improvements have been constructed, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the provisions in Article 12 above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed among the Condominium Units according to the relative value of each Condominium Unit which shall be in accordance with each Condominium Unit's Allocated Interests, first to the Mortgagees and then to the Owners, as their interests appear.

Section 13.3 Complete Condemnation.

If all of the Property is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall be deemed to be terminated thereby, and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in Section 12.5 above.

ARTICLE 14

ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of: (a) granting easements pursuant to Article 8; (b) purchasing and maintaining insurance pursuant to Article 10, including the collection and appropriate disposition of the proceeds thereof, the negotiation and settlement of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to purchase and maintain insurance as well as dealing with any improvements covered by insurance written in the name of the Association pursuant to Article 10 upon their damage or destruction as provided in Article 12; or (c) negotiating and dealing with any authority having the power of condemnation or eminent domain relating to a complete or partial taking as provided in Article 13 above. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying a portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE 15

RESERVED DEVELOPMENT AND SPECIAL DECLARANT RIGHTS

Notwithstanding any provision in this Declaration to the contrary, the rights reserved to Declarant in this Article may be exercised by Declarant without the consent of the Association, or of the Owners or Mortgagees of Condominium Units not owned by Declarant.

Section 15.1 Reservation of Subdivision and Combination Rights.

Pursuant to the Act, Declarant reserves the right for itself and any Successor Declarant to subdivide or convert a Condominium Unit that it owns into additional Condominium Units, Common Elements or a combination of same, and to combine Condominium Units that it owns.

Section 15.2 Create Common Elements and Parking Units/Allocate Limited Common Elements.

15.2.1 Declarant reserves the right (but shall have no obligation) for itself and any Successor Declarant to construct and create additional Common Elements, carports and garages over parking spaces. Declarant may prepare, execute and record a Supplemental Map or Declaration that identifies the Common Element.

15.2.2 Declarant reserves the right to convert any parking space, that has not been allocated as an LCE Parking Space, to a parking space that is a condominium unit (and no longer a Common Element), to be known as a "Parking Unit", that shall be owned in fee by the Declarant until transferred by deed.

15.2.3 Declarant further reserves the right (but shall have no obligation) to convert any and all parking spaces (excluding the Garage Units) in the Project that are General Common Elements to Limited Common Elements and to allocate each so converted parking space to a particular Residential Unit or Residential Units. This may be achieved either (a) by Declarant recording a Supplemental Map or Declaration allocating the converted parking space to a particular Residential Unit(s), or (b) by Declarant allocating a parking space to a Residential Unit as a Limited Common Element in the deed conveying the Residential Unit from the Declarant to the Residential Unit purchaser. When the Declarant undertakes the latter approach, the Declarant shall, from time to time, but in no event later than the ten (10) days after the last parking space is allocated to a Residential Unit, prepare, execute and record a Supplemental Map or Declaration identifying the manner in which all LCE Parking Spaces have been allocated.

15.2.4 The Declarant further reserves the right to reallocate LCE Parking Spaces, if any (by correction deed, by recording a Supplemental Map or Declaration or by such other reasonable method) in its discretion and with the consent of the Owners allocated the affected LCE Parking Spaces, without the consent of other Owners, the Association or Mortgagees, and notwithstanding the procedures set forth in C.R.S. 38-33.3-208.

Section 15.3 Intentionally Deleted

Section 15.4 Other Reserved Rights.

15.4.1 Declarant reserves the right for itself and any successor Declarant: (a) to complete improvements indicated on any plats and Maps for the Project, (b) TO MAINTAIN AND RELOCATE SALES OFFICES, MANAGEMENT OFFICES, DESIGN CENTERS, SIGNS AND LIGHTING, MODEL UNITS, STORAGE AREAS, AND CONSTRUCTION YARDS WITHIN ONE OR MORE CONDOMINIUM UNITS AND WITHIN THE COMMON ELEMENTS (INCLUDING THE CLUBHOUSE), IN SUCH LOCATIONS AND IN SUCH FORMS AS DETERMINED BY DECLARANT IN ITS DISCRETION, AND FOR SUCH PERIOD OF TIME AS PERMITTED HEREUNDER (ANY MODEL UNIT OR SALES/MANAGEMENT OFFICE LOCATED IN A CONDOMINIUM UNIT AS DESIGNATED ON THE MAP SHALL BE A CONDOMINIUM UNIT AND NOT A COMMON ELEMENT), (c) to appoint or remove any officer of the Association or any Board member during the period of Declarant Control as set forth in Section 5.4 above, (d) to create storage spaces within the Project as General Common Elements, Limited Common Elements, or as additional Storage Units for sale to Owners, (e) to amend the Declaration and/or the Map in connection with the exercise of any Declarant rights hereunder or pursuant to the Act, and (f) to use and to permit others to use easements through the Common Elements as may be reasonably necessary for construction within the Project, and for the purpose of discharging Declarant's obligations and rights under the Act and this Declaration.

15.4.2 Declarant also reserves any development rights created by any administrative, judicial or legislative action, including but not limited to any changes in zoning regulations or rules, changes in bulk plane limitations or any other rules or regulations adopted by any entity of the State or federal government that establishes development rights to property in addition to those currently existing for any defined Condominium Unit or the Project as a whole. Declarant shall be free to convey, transfer or sell its retained development rights subject to the terms of this Declaration.

Section 15.5 Change in Allocated Interests.

In the event Declarant or Successor Declarant exercises the right to add, withdraw, subdivide, combine or convert Condominium Units or Common Elements as set forth above, the Allocated Interests of the Condominium Units after such addition, withdrawal or subdivision shall be according to the formula set forth in Section 2.2. above, and Declarant may record an amendment to this Declaration and/or the Map to reflect these changes, in accordance with the Act.

Section 15.6 Owner Use and Occupancy Regulation.

15.6.1 The Association shall have and may exercise the right to control Owners' use and occupancy of their respective Residential Units in order to assure Owners of eligibility of the Project for any Agency. In this regard, the Association may adopt rules with respect to the leasing of Residential Units to non-Owners and the acquisition by one Owner of more than one Residential Unit. From the date this Declaration is recorded, any Owner wishing to lease a Residential Unit shall be subject to the percentage occupancy requirements of the applicable Agency and must first apply for authorization from the Association for any non-Owner residential use (non-Owner commercial use is strictly prohibited). Allowance of an Owner to rent a Residential Unit shall be in accordance with the criteria set forth in the rules and regulations and the Association shall have the authority to permit or deny the use or leasing of any Residential Unit within the Project, subject to then-current federal mortgage eligibility requirements promulgated by any Agency. The Owner's failure to provide information to the Association regarding the proposed leasing of the Residential Unit or failure to comply with all terms and conditions of the rules shall result in the non-approval of the lease. Notwithstanding any provision in this Declaration, in no event shall this Section 15.6 prohibit any First Mortgagee who obtains title to a Residential Unit through foreclosure of a First Mortgage from leasing or otherwise operating such Residential Unit, nor shall this Section 15.6 prohibit or limit the Association or the Declarant from leasing or otherwise operating the Residential Unit currently owned by it, or any Residential Unit acquired by the Association as a result of foreclosure of its lien for Assessments. In furtherance of this Section 15.6, if required by Agency regulations, the rules shall provide that no Owner may hold title to more than one Residential Unit; *provided, however*, Owners owning more than one Residential Unit on the date this Declaration is recorded, shall not be required to divest their ownership interest in those Residential Units, but shall not be permitted to acquire additional Residential Units except in accordance with the terms and conditions of the Association Documents.

15.6.2 For purposes of this Section 15.6, the terms "rental" and "lease" shall mean the occupancy or the use by an Owner of a Residential Unit for purposes other than such Owner's principal residence in return for monetary or any other type of compensation or in-kind consideration. "Owner" shall be deemed to include any individual, trust, joint venture, or entity or person in a representative capacity recognized in Colorado as capable of holding title to real property, and any common, affiliated, or subsidiary ownership between such types of Owners shall be considered the same Owner for purposes of this Section 15.6.

Section 15.7 Parking Assignments.

DECLARANT RESERVES THE RIGHT TO ASSIGN FROM TIME TO TIME ANY AND ALL PARKING AT THE PROJECT, THAT IS NOT SPECIFICALLY ALLOCATED AS LCE PARKING SPACES TO RESIDENTIAL UNITS NOT OWNED BY DECLARANT, FOR USE BY TENANTS OF RESIDENTIAL UNITS OWNED BY DECLARANT.

Section 15.8 Termination of Rights.

Unless otherwise provided herein or required by the Act, the rights reserved to the Declarant for itself, its successors and assigns in this Article shall expire upon the earlier of (a) the sale or other transfer of the last Condominium Unit owned by Declarant, or (b) seven (7) years from the recording of this Declaration with the Clerk and Recorder, unless such rights are (i) extended as allowed by law or (ii) reinstated or extended by the Association, subject to whatever terms, conditions and limitations the Board may impose on the subsequent exercise of the rights by Declarant.

ARTICLE 16

ARCHITECTURAL CONTROL AND DESIGN REVIEW

Section 16.1 Generally.

Each Improvement must be constructed, and may thereafter be removed, altered or modified, in accordance with the "Design Guidelines", if available, and approved in accordance with this Article.

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

Section 16.2 Committee Approval of Improvements Required.

The approval by the Design Review Committee (the "Committee") shall be required prior to the commencement of the construction, alteration, modification, expansion, addition, removal, demolition or destruction of any Improvements on any portion of the Project, including any change of exterior appearance, finish material, color or texture, except, in any such case, by Declarant with respect to any Improvements constructed by Declarant. This approval of the Committee is in addition to the review and approval by all applicable local jurisdictions.

No permission or approval shall be required to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Residential Unit.

Section 16.3 Membership of the Committee.

The Committee shall consist of up to three members, the initial number and the members of which shall be determined by Declarant in its sole discretion. Declarant shall have the continuing right to appoint and reappoint the members of the Committee, which right shall terminate at the option of Declarant but in any event shall terminate without further act or deed upon the sale of the last Residential Unit by Declarant, subject to the provisions of Section 15.8. Thereafter, the Committee shall consist of three members, and the Board of Directors shall have the right to appoint the members of the Committee. Members of the Committee appointed by the Board of Directors must be Members of the Association.

Members of the Committee appointed by Declarant may be removed at any time by Declarant and shall serve until resignation or removal by Declarant. Members of the Committee appointed by the Board of Directors may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board.

Section 16.4 Address of the Committee.

The address of the Committee shall be that of the principal office of the Association.

Section 16.5 Submission of Plans/Design Review Fee.

Prior to commencement of work to accomplish any proposed Improvement, the person proposing to make such Improvement ("Applicant") shall submit to the Committee, at its offices, or at such other place as the Committee may designate, such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the Committee shall reasonably request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement.

The Committee may, in its guidelines or rules, provide for the payment of a fee to accompany each request for approval of any proposed Improvement. The Committee may provide that the amount of such fee shall be uniform for similar types of any proposed Improvements or that the fee shall be determined in any other manner, such as the estimated cost of the proposed Improvement. Said fee may be used to compensate any consultant as the Committee deems necessary to assist the Committee in the performance of its duties. Members of the Committee may be reimbursed for services rendered and for directly related out-of-pocket expenses.

The Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement. Until receipt by the Committee of all required materials in connection with the proposed Improvement, the Committee may postpone review of any materials submitted for approval by a particular Applicant.

Except as provided in Paragraph 16.2 hereof, no Improvement of any kind shall be erected, altered, placed, or maintained within the Project unless and until the final plans, elevations, and specifications therefor have received written approval by the Committee as herein provided.

Section 16.6 Delegation/Waiver.

The Committee may at its discretion delegate to the Board of Directors any of its powers granted to it by this Article by written notice to the Board of Directors indicating what powers and authority are granted to the Board. Such delegation shall be effective from the date such notice is given.

The approval or consent of the Committee, any representative thereof, or the Board of Directors, to any application for architectural approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the Committee, any representative thereof, or the Board of Directors, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required.

The Committee may waive or grant reasonable variances or adjustments to any provision of this Article in the event there is a practical difficulty or unnecessary hardship.

Section 16.7 Criteria for Approval.

The question of reasonableness and good faith is the standard applicable in reviewing plans for approval by the Committee. The Committee shall have the right to disapprove any proposed Improvement that is not in accordance with the Design Guidelines, or is not suitable or desirable in the Committee's opinion for aesthetic or other reasons.

In passing upon the Improvement the Committee shall have the right to take into consideration the suitability of the proposed Improvement and of the materials of which it is to be built, the color scheme, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, the topography of the land and the effect of the Improvement as planned on the outlook from the adjacent or neighboring Units, and if it is in accordance with all of the provisions of this Declaration.

The Committee may disapprove the proposed Improvement if the plans and specifications submitted are incomplete, or in the event the Committee deems the materials submitted be contrary to the spirit or intent of the Declaration. The Committee may condition its approval of any proposed Improvement upon the making of such changes thereon as the Committee may deem appropriate.

Section 16.8 Decision of the Committee.

The decision of the Committee shall be made within 30 days after receipt by the Committee of all materials required by the Committee unless such time period is extended by mutual agreement. The decision shall be in writing and, if the decision is not to approve a proposed Improvement, the reasons therefor shall be stated. The decision of the Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Committee.

A majority vote of the Committee shall constitute the action of the Committee.

The Committee shall report in writing to the Board of Directors all final actions of the Committee if requested by the Board of Directors.

The Committee shall not be required to keep the materials submitted beyond one year from date of approval or two years from the date of the completion of the Improvement to be constructed, which ever shall be the last to occur.

Section 16.9 Appeal to the Board of Directors.

If the Committee disapproves or imposes conditions on the approval of a proposed Improvement, the Applicant (after the period of Declarant's control of the Committee has terminated) may appeal to the Board of Directors by giving written notice of such appeal to the Board of Directors and the Committee within 10 days after notice of such disapproval or conditional approval is given to the Applicant.

The Board of Directors shall hear the appeal with reasonable promptness after reasonable notice of such hearing to the Applicant and the Committee and shall decide, with reasonable promptness, whether or not the proposed Improvement or the conditions imposed by the Committee shall be approved, disapproved or modified.

If the Committee approves a proposed Improvement, any impacted Owner created by the Committee's decision may appeal the approval to the Board of Directors by giving written notice of such appeal to the Board of Directors, the Committee and the Applicant within ten days after such approval.

The Board of Directors shall hear the appeal with reasonable promptness after reasonable notice of such hearing to the Applicant, the impacted Owner and the Committee. The Committee shall decide with reasonable promptness, whether or not the proposed Improvement's approval shall be upheld. The decision of the Board of Directors shall be final and binding on the parties concerned.

This appeal right to the Board shall only be available after the period of Declarant control of the Committee terminates.

Section 16.10 Failure of Committee to Act on Plans.

Any request for approval of a proposed Improvement shall be deemed approved, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Committee within 30 days after the date of receipt by the Committee of all necessary materials as determined by the Committee.

Section 16.11 Prosecution of Work After Approval.

After approval of any proposed Improvement, the proposed Improvement shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement, any materials submitted to the Committee in connection with the proposed Improvement and any conditions imposed by the Committee. Failure to complete any proposed Improvement within eight months from the date of the commencement of construction (commencement of excavation) shall constitute a violation of this Article unless extended by the Committee.

Section 16.12 Notice of Completion.

Upon completion of the Improvement, the Applicant shall give written Notice of Completion to the Committee. Until the date of receipt of a Notice of Completion, the Committee shall not be deemed to have notice of completion of any Improvement.

Section 16.13 Inspection of Work.

The Committee or its duly authorized representative shall have the right to inspect any Improvement prior to or after completion; provided that the right of inspection shall terminate 30 days after the Committee receives a Notice of Completion from the Applicant.

Section 16.14 Notice of Noncompliance.

If, as a result of inspections or otherwise, the Committee finds that any Improvement has been done without obtaining the approval of the Committee, or was not done in substantial compliance with the description and materials furnished to, and any conditions imposed by, the Committee, or was not completed within 12 months from the date of the commencement of construction, the Committee shall notify the Applicant in writing of the noncompliance; which notice shall be given, in any event within 30 days after the Committee has inspected the Improvement, but in no event no later than 30 days after the Committee's receipt of such Applicant's Notice of Completion. The Notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

Section 16.15 Failure of Committee to Act After Completion.

If, for any reason other than the Applicant's act or neglect, the Committee fails to notify the Applicant of any noncompliance within 30 days after receipt by the Committee of written Notice of Completion from the Applicant, the Improvement shall be deemed to be in compliance if the Improvement was, in fact, completed as of the date of Notice of Completion.

Section 16.16 Appeal to the Board of Directors of Finding of Noncompliance.

If the Committee gives any Notice of Noncompliance, the Applicant may appeal to the Board of Directors by giving written notice of such appeal to the Board and the Committee within ten days after receipt by the Applicant of the Notice of Noncompliance.

If, after a Notice of Noncompliance, the Applicant fails to commence diligently to remedy such noncompliance, the Committee shall request a finding of noncompliance by the Board of Directors by giving written notice of such request to the Board of Directors and the Applicant within 30 days after delivery to the Applicant of a Notice of Noncompliance. In either event, the Board of Directors after Notice and Hearing shall decide, with reasonable promptness, whether or not there has been such noncompliance and, if so, the nature thereof.

This appeal right to the Board shall only be available after the period of Declarant control of the Committee terminates.

Section 16.17 Correction of Noncompliance.

If the Board of Directors determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than 30 days from the date of receipt by the Applicant of the ruling of the Board of Directors. If the Applicant does not comply with the Board's ruling within such period, the Board may, at its option, record a "Notice of Noncompliance" against the Unit on which the noncompliance exists, or may remove the noncomplying Improvement or may otherwise remedy the noncompliance.

The Board may levy an Default Assessment in accordance with Section 11.6 against the Owner of such Unit for such costs and expenses incurred. The right of the Board of Directors to remedy or remove any noncompliance shall be in addition to all other rights and remedies that the Board of Directors may have at law, in equity, or under this Declaration.

This appeal right to the Board shall only be available after the period of Declarant control of the Committee terminates.

Section 16.18 Meetings of the Committee.

The Committee shall meet from time to time as necessary to perform its duties hereunder.

Section 16.19 No Implied Waiver or Estoppel.

No action or failure to act by the Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Committee or the Board of Directors. Specifically, the approval by the Committee of any Improvement shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement or similar proposals, plans, specifications or other materials submitted with respect to any other Improvement.

Section 16.20 Estoppel Certificates.

The Board of Directors shall, upon the reasonable request of any interested party and after confirming any necessary facts with the Committee, furnish a certificate with respect to the approval or disapproval of any Improvement or with respect to whether any Improvement was made in compliance herewith. Any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

Section 16.21 Architectural Standards/Design Guidelines.

The Committee may promulgate rules and regulations to interpret and implement the provisions of this Article. These rules and regulations shall be known as the "Design Review Guidelines" and shall contain, among other things, guidelines that will clarify the types of designs and materials that will be considered in design approval. The Applicant shall be responsible to apply for all permits and approvals required by applicable local jurisdictions. The Committee may review and revise the said Design Review

Guidelines from time to time in its sole discretion so long as said guidelines are not discriminatory and are uniformly applied.

Section 16.22 No Liability for Committee Action.

There shall be no liability imposed on the Design Review Committee, any member of said Committee, any authorized representative of said Committees, the Association, any member of the Board of Directors or Declarant for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Committees, if such party acted in good faith and without malice.

In reviewing any matter, the Committees shall not be responsible for passing on safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations, nor shall its approval of an Improvement be deemed approval of such matters.

For purposes of this Article, "Improvements" shall mean (a) all exterior improvements, structures and any appurtenances thereto or components thereof of every type or kind; and (b) all landscaping features, including, but not limited to, buildings, outbuildings, patios, patio covers, awnings, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, private drives, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, signs, cooling, heating and water softening equipment; and (c) any change, alteration, modification, expansion, or addition to any previously approved Improvement, including any change of exterior appearance, finish material, color or texture.

ARTICLE 17

MORTGAGEES' RIGHTS

The following provisions are for the benefit of holders, insurers or guarantors of any Mortgages on Condominium Units. To the extent permitted under Colorado law and applicable, necessary or proper, the provisions of this Article apply to this Declaration and also to the Articles, Bylaws and rules and regulations of the Association.

Section 17.1 Title Taken by Mortgagee.

Any Mortgagee holding any Mortgage of record against a Condominium Unit who obtains title to the Condominium Unit pursuant to remedies exercised in enforcing the Mortgage, including foreclosure of the Mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments which become due and payable after the date title to the Condominium Unit is acquired. The lien of the Association for unpaid assessments shall not have priority over a Mortgage in the amount of more than six (6) months of regular common expense assessments. A Mortgagee or Agency that acquires title to a Condominium Unit through foreclosure of a Mortgage will not be liable for any fees or charges related to the collection of the six (6) months of unpaid Assessments that accrued before the Mortgagee or Agency acquired title to the Condominium Unit.

Section 17.2 Distribution of Insurance or Condemnation Proceeds.

In the event of a distribution of insurance proceeds or condemnation awards allocable among the Condominium Units for losses to, or taking of, all or part of the Common Elements, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any Mortgagee who is a beneficiary of a Mortgage against a Condominium Unit.

Section 17.3 Right to Pay Taxes and Charges.

Mortgagees who hold Mortgages against Condominium Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 17.4 Audited Financial Statement.

Upon written request from any Agency or First Mortgagee which has an interest or prospective interest in any Residential Unit or the Project, the Association shall prepare and furnish within ninety days an audited financial statement of the Association for the immediately preceding fiscal year at the expense of such Agency or First Mortgagee.

Section 17.5 Notice of Action.

Any First Mortgagee and any Agency that holds, insures, or guarantees a First Mortgage, upon written request to the Association (which shall include the Agency's or First Mortgagee's name and address and the Residential Unit number), will be entitled to timely written notice of:

17.5.1 Except with respect to rights reserved to Declarant pursuant to Article 15 hereof (provided such exception shall not affect any Mortgagee of Units owned by Declarant), any proposed amendment of the Association Documents effecting a change in (a) the boundaries of any Residential Unit, or the exclusive easement rights appertaining thereto, (b) the interest in the Common Elements appurtenant to the Residential Unit, or the liability of Assessments relating thereto, (c) the vote in the Association relating to any Residential Unit, (d) the purposes to which any Residential Unit or the Common Elements are restricted, or (e) any amendment set forth in Section 18.2 below requiring Mortgagee approval;

17.5.2 Any proposed termination of the common interest community (except as provided in Section 13.3);

17.5.3 Any condemnation loss or any casualty loss which affects a material portion of the Project or which affects any Residential Unit on which there is a Mortgage held, insured or guaranteed by such Agency (except as provided in Section 13.3);

17.5.4 Any delinquency in the payment of Assessments owed by an Owner subject to the Mortgage where such delinquency has continued for a period of sixty days;

17.5.5 Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Article 10.

Section 17.6 Action by Mortgagee.

If this Declaration or any Association Documents require the approval of any Agency or Mortgagees then, if any Mortgagee fails to respond to any written proposal for such approval within thirty (30) days after such Mortgagee receives proper notice of the proposal (or such longer time as may be set forth in the notice), such Mortgagee shall be deemed to have approved such proposal provided that the notice was delivered to the Mortgagee by certified or registered mail, return receipt requested.

ARTICLE 18

DURATION OF COVENANTS AND AMENDMENT

Section 18.1 Term.

The covenants and restrictions of this Declaration shall run with and bind the Project in perpetuity, subject to the termination provisions of the Act. Except as otherwise provided herein, the consent of (a) Owners holding at least 67% of the votes in the Association, (b) First Mortgagees of Units to which at least 67% of the votes in the Association appertain, and (c) the Declarant during the Declarant Control Period (as set forth in Section 5.4 hereof) shall be required to terminate this condominium regime.

Section 18.2 Amendment.

Except for amendments otherwise permitted to be undertaken by Declarant hereunder or pursuant to the Act, this Declaration, or any provision of it, may be amended at any time by (a) Owners holding more than fifty percent (50%) of the votes in the Association (except where sixty-seven percent (67%) Owner vote is specifically indicated below), and (b) the Declarant during the Period of Declarant Control, and (c) provided a First Mortgagee has requested notice in accordance with Section 17.5 above and if the amendment to the Association Documents add or delete any material provisions which establish, provide for, govern or regulate any of the following, the approval of fifty-one percent (51%) of First Mortgagees of Residential Units subject to a First Mortgage (which percentage is measured by the votes allocated to such Residential Units):

- | | |
|-----------|------------------------------------------------------------------|
| 18.2.1 | Voting (67% Owner vote required); |
| 18.2.2 | Assessments, Assessment liens or subordination of such liens; |
| 18.2.3 | Reserves for maintenance or repair and replacement of the Common |
| Elements; | |
| 18.2.4 | Insurance or fidelity bonds; |

18.2.5 Reallocation of interests in the Common Elements, or rights to use of the Common Elements (67% Owner vote required);

18.2.6 Responsibility for maintenance and repair of the Project;

18.2.7 Expansion or contraction of the common interest community, or the addition, annexation or withdrawal of property to or from the common interest community;

18.2.8 Boundaries of any Condominium Unit (67% Owner vote required);

18.2.9 The interests in the Common Elements (67% Owner vote required);

18.2.10 Convertibility of Condominium Units into Common Elements or of Common Elements into Condominium Units;

18.2.11 Imposition of any restrictions on the leasing of Condominium Units;

18.2.12 Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Condominium Unit;

18.2.13 Establishment of self-management by the Association where professional management has been required by any Agency;

18.2.14 Any provision which is for the express benefit of an Agency or Mortgagee, regardless of whether the amendment is material;

18.2.15 Hazard or fidelity insurance requirements; and

18.2.16 Restoration or repair of the common interest community (after damage or partial condemnation) other than as specified herein.

Section 18.3 Amendment Procedure.

Any amendment must be executed by the president of the Association and recorded in the real property records of the County of Douglas, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying the approval of a sufficient number of Owners, and the Declarant, as applicable, to the amendment. Notwithstanding the foregoing, Declarant, acting alone, reserves to itself the right and power to modify and amend this Declaration and the Map to the fullest extent permitted under the Act and this Declaration, including without limitation:

18.3.1 Declarant may amend the Declaration, a plat or a Map to correct clerical, typographical errors, or technical errors;

18.3.2 Declarant may amend the Declaration to comply with the requirements, standards or guidelines of recognized secondary mortgage markets and Agencies; and

18.3.3 Declarant may amend this Declaration as provided in Article 15 hereof.

ARTICLE 19

LIMIT ON TIMESHARING

No Owner of any Condominium Unit shall offer or sell any interest in such Condominium Unit under a "timesharing" or "interval ownership" plan, or any similar plan.

ARTICLE 20

MANDATORY DISPUTE RESOLUTION

Section 20.1 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.

Section 20.2 Alternative Method for Resolving Disputes.

Declarant, the Association, its officers and directors; all Owners; design professionals; builders, including any of their subcontractors and suppliers; and any Person not otherwise subject to this Declaration but who agrees to submit to this Article, but excluding any Mortgagee or First Mortgagee (each of the foregoing entities being referred to as a "Party"), agree to encourage the amicable resolution of disputes involving the Project and all of its improvements without the emotional and financial costs of litigation. Accordingly, each Party covenants and agrees to submit all Claims each may have to the procedures set forth in this Article 20 and not to a court of law.

Section 20.3 Claims.

Except as specifically excluded in Paragraph 20.4, all claims, disputes and other controversies (excluding any such claims, disputes or controversies involving a Mortgagee or First Mortgagee) arising out of or relating to the:

- (a) any Purchase and Sale Contract between Declarant and any Owner (except as may be expressly provided otherwise therein);
- (b) Property (as defined in any such Purchase and Sale Contract) or the Condominium Unit;

- (c) purchase of the Property or the Condominium Unit;
- (d) interpretation, application or enforcement of this Declaration;
- (e) the soils of any property that lies within the Project;
- (f) land development, design, construction, and/or alteration of the improvements within the Project and/or any alleged defect therein;
- (g) any rights, obligations and duties of any Party under this Declaration;
- (h) any personal injury or property damage that any Owner alleges to have sustained on the Project;
- (i) any breach of any of the foregoing;

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 this Article 20 and not in a court of law. Notwithstanding the foregoing, no Claim may be asserted or brought unless there is either (i) actual physical damage to or actual loss of use of tangible real or personal property or (ii) bodily injury or wrongful death.

Section 20.4 Claims Subject to Approval.

Unless Owners to whom at least 67% 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 20:

- (a) any suit by the Association against any Party to enforce the provisions of Article 11 (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 Article 16 (Architectural Control and Design Review), or Article 4 (Use Restrictions);
- (c) any suit by an Owner to challenge the actions of Declarant, the Association, Declarant acting to enforce the Alteration Guidelines, 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 Article 16 (Architectural Control and Design Review); and
- (d) any suit between or among Owners, that does not include Declarant or the Association.

Section 20.5 Notice of Claim.

Any Party alleging a Claim ("Claimant") against any other 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 a list of any alleged construction defects, 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);
- (c) the date on which the Claim first arose;
- (d) the name and address of every Person, including without limitation any current or former employees of Respondent, whom Claimant believes does or may have information relating to the Claim; and
- (e) the specific relief and/or proposed remedy sought.

Section 20.6 Timely Initiation.

All Claims shall be initiated by the Claimant within a reasonable time after the Claim has arisen, and in any event, regardless of the nature of the Claim, no later than two years after the Claim arises for all other Claims.

Section 20.7 Right to be Heard.

Upon receipt of a Claim and prior to the Association or any Owner asserting the Claim commencing any mediation or arbitration Respondent shall have the right to make a written response and be heard by Claimant, affected Owners, and Association in an effort to resolve the Claim.

Section 20.8 Right to Inspect and Repair.

If the Claim is based on the land development, design, construction and/or alteration of any improvements within the condominium regime then, upon reasonable notice to any affected Owners (or the Association if the affected area is owned by the Association), Respondent 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 ("Affected Property");

- (b) minimize any disruption or inconvenience to any person who occupies the Affected Property;
- (c) remove daily all debris caused by the inspection and located on the Affected 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 Affected Property and repair and replace all damage, and restore the Affected Property to the condition of the Affected Property as of the date of the inspection, unless the Affected 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 Affected Property that were damaged, removed or destroyed by Inspecting Party.

In the event the Inspecting Party wishes to make repairs to resolve the subject matter of the Claim, the Inspecting party shall have the right, at its option, to do so and to enter the Affected Property at a reasonable time(s) and upon reasonable notice for such purpose.

The Inspecting Party shall not permit any claim, lien or other encumbrance arising from the exercise of its right to inspect and/or repair to accrue against or attach to the Affected Property. The Inspecting Party shall indemnify, defend and hold harmless the Affected Owners, or the Association if the Affected Property is owned by the Association, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and reasonable attorney's fees, resulting from any breach of this Article by the Inspecting Party.

Section 20.9 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 be represented by attorneys and independent consultants (at such Party's cost) to assist such party in negotiations and to attend meetings.

Section 20.10 Mediation.

(a) If the Parties do not resolve the Claim through negotiations within 30 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 reasonably 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.

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

(c) 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.

(d) Within 10 days after issuance of a Termination of Mediation, 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.

(e) 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.

(f) If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with this Article 20 and any Party thereafter fails to abide by the terms of such agreement, then any other affected Party may file suit to enforce such agreement without the need to again comply with the procedures set forth in this Article 20. 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, reasonable attorney's fees and court costs.

Section 20.11 Arbitration.

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

(b) The Parties agree that where any Claim, dispute or other controversy existing between them is submitted to arbitration, and any other 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.

(c) Within 60 days after submission of the Claim, Claimant shall file with the arbitrator and deliver to Respondent(s) a certified list of construction defects that are the subject of the Claim, which list shall be signed by the attorney for Claimant, or if Claimant does not have an attorney, by Claimant, and shall include:

(i) a statement that (A) the attorney for Claimant, or Claimant if Claimant does not have an attorney, has consulted with a Person not a Party to the Claim with expertise in the area of each construction defect that is the subject of the Claim (the Construction Consultant) and (B) the Construction Consultant has inspected the improvements for which the construction defects are claimed, has reviewed the known facts, including such records, documents and other materials the Construction Consultant has

found to be relevant to the construction defects, and has concluded that the Claim has substantial justification based on the Construction Consultant's inspection and review of the known facts;

(ii) a certification that the Construction Consultant can demonstrate by competent evidence that, as a result of training, education, knowledge and experience, the Construction Consultant is competent to testify as an expert and render an opinion as to the alleged construction defects;

(iii) a certification signed by the Construction Consultant stating (A) such Person's name, address, qualifications and credentials that render him or her competent to express an expert opinion as to the alleged construction defect, (B) that he or she has inspected each improvement and reviewed the known facts, including such records, documents and other materials which he or she has found to be relevant to the construction defects at issue, and (C) as to each improvement for which a construction defect Claim is asserted, an identification of the owner of the improvement, the location and date of construction of the improvement, and an identification of each claimed construction defect and its specific location;

(iv) a computation of the damages alleged for each construction defect;

(v) an identification, with respect to each improvement and construction defect, of each Party alleged to be responsible for such defect;

(vi) a certification that each Party alleged to be responsible for the alleged construction defect has been given written notice of the defect and an opportunity to remedy the defect under the foregoing provisions of this Article and that the defect has not been remedied; and

(vii) a copy of the notice of Claim served by Claimant on each Person that is named as a Party to the Claim.

(d) If the Claim is not timely submitted to arbitration, if Claimant fails to appear for the arbitration proceeding, or if Claimant fails to file and deliver the certified list of construction defects as provided in subparagraph (c) above, the Claim shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of such Claims

(e) The award rendered by the Arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in the County in accordance with applicable law and judgment obtained thereon, and execution may issue. 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.

(f) Claimant shall notify Respondent(s) prior to retaining any Person or entity as an expert witness for purposes of any arbitration or authorized litigation.

Section 20.12 Consensus for Association Action.

Except as provided for in Paragraph 20.4 hereof, the Association shall not commence any action, mediation or arbitration against Declarant or other Party for a Claim unless the Owners to which at least 67% of the votes in the Association are allocated agree to such proceedings. However, such Owner

consent must be obtained by the Association only after the Board of Directors delivers written notice to all Members of the Association in accordance with the procedures set forth in the Bylaws with respect to meetings of Members. Such delivery shall include:

- (a) a description of the nature of the Claim and the relief sought;
- (b) a copy of any written response thereto, including any settlement proposal;
- (c) a statement advising Owners of their duties to disclose to prospective purchasers and lenders the Claim that the Association proposes to assert;
- (d) a statement that any recovery from the action may not result in receipt of funds to pay all costs of remedying the Claim as estimated by experts retained by the Association;
- (e) an estimate of the expenses and fees to the Association that the Board anticipates will be incurred in prosecuting the claim; and
- (f) a description of the agreement with the attorneys whom the Board of Directors proposes to retain to prosecute the cause of action.

Section 20.13 Liability for Failure to Maintain an Action.

No director or officer of the Association shall be liable to any Person for failure to institute or maintain or bring to conclusion a cause of action, mediation or arbitration for a Claim if the following criteria are satisfied: (a) the director or officer was acting within the scope of his or her duties; (b) the director or officer was acting in good faith; and (c) the act or omission was not willful, wanton or grossly negligent.

Section 20.14 Utilization of Funds Resulting from the Cause of Action.

In the event the Association receives funds as a result of any settlement, mediation, arbitration or judgment based upon a cause of action, after payment of fees and costs incurred in connection with prosecution of such action, the Association shall: (a) deposit the proceeds in a special, interest-bearing account; and (b) utilize the proceeds only for the purpose of performing remedial or repair work on the conditions which were the subject of the Claim or otherwise for purposes of remedying the Claim.

Section 20.15 Exclusive Remedy.

The provisions contained in this Article shall be the sole and exclusive remedy that the Association and other Parties shall have against Declarant for any Claim, and Declarant, the Association and each Owner expressly waives any right it may have to seek resolution of any Claim contemplated by this Article in any court of law or equity and any right to trial by jury.

Should any Party commence litigation or any other action against any other Party, in violation of the terms of this Article, such Party shall reimburse the costs and expenses, including attorneys' fees, incurred by the other Party seeking dismissal of such litigation or action. If Claim involves Declarant or

the Association, no Party shall record a memorandum or notice of *lis pendens* or similar instrument that would encumber or create a lien on real property owned by either Declarant or the Association, and any recording of the same shall be null and void and of no force or effect.

Section 20.16 Binding Effect.

This Article 20 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 in the County to the fullest extent permitted under the laws of the State of Colorado.

Section 20.17 Amendment.

Neither this Article 20 nor Exhibit D may be amended unless such amendment is approved by a majority of the Board of Directors and Owners to whom at least 67% of the votes in the Association are allocated. Any amendment made without the requisite Board and Owners' vote shall be null and void and shall have no effect.

ARTICLE 21

GENERAL PROVISIONS

Section 21.1 Restriction on Declarant Powers.

Notwithstanding anything to the contrary herein, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act.

Section 21.2 Enforcement.

Except as otherwise provided in this Declaration, the Board, Declarant or Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Board of the Association, Declarant or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Section 21.3 Severability.

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions that shall remain in full force and effect.

Section 21.4 Conflicts Between Documents.

In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

[signatures follow]

THIS DECLARATION is executed as of the ____ day of _____, 2004.

DECLARANT:

BAYVIEW IRONSTONE, LLC a Delaware limited liability company

By: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 2004 by _____ as _____ of BAYVIEW IRONSTONE, LLC a Delaware limited liability company.

Witness my hand and official seal.

My commission expires:

Notary Public

MORTGAGEE CONSENT

Consent is hereby given to this Declaration and to the condominium map of the Project recorded in conjunction herewith. The undersigned agrees and acknowledges that any foreclosure or enforcement of any other remedy available to the undersigned under the Deed of Trust recorded on _____, at Reception No. _____ of the records of the Clerk and Recorder of the County of Douglas, Colorado, or under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Project described in this Declaration will not render void or otherwise impair the validity of the Declaration and said condominium map. Additionally, the undersigned subordinates the lien and interests of the undersigned under said Deed of Trust as above referenced and under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Project described in the Declaration to the covenants, terms and conditions of the Declaration and condominium map.

By: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 2004 by _____ as _____ of _____.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A
Property Legal Description

Lot 1,
Stroh Ranch Filing No. 19
Town of Parker,
County of Douglas,
State of Colorado

EXHIBIT B

Allocated Interests of Residential Units, Garage Units and Storage Units in Common Expenses and Common Elements

| <i>Residential Unit Floor Plan</i> | <i># of Units</i> | <i>Square Footage Per Unit Within the Designated Floor Plan</i> | <i>Basis Points for Each Residential Unit in Floor Plan (sq. ft. / 10)</i> | <i>Total Basis Points Per Floor Plan (Basis Points x # of units)</i> | <i>Total Basis Point Per Garage</i> | <i>Total Basis Point Per Storage</i> | <i>Total Basis Points - Entire Project</i> | <i>For Each Residential Units: (1) Percentage of Common Elements; (2) Percentage of Common Expenses</i> | <i>Per Floor Plan: (1) Percentage of Common Elements; (2) Percentage of Common Expenses</i> | <i>For Garage and Storage Units: (1) Percentage of Common Elements; (2) Percentage of Common Expenses</i> |
|------------------------------------|-------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <i>Mesa Floor Plan</i> | 62 | 741 | 74 | 4,588 | | | | 0.204% | 12.65% | 0.0137% |
| <i>Navajo Floor Plan</i> | 62 | 808 | 81 | 5,022 | | | | 0.224% | 13.89% | for each Garage Unit |
| <i>Dakota Floor Plan</i> | 62 | 960 | 96 | 5,952 | | | | 0.265% | 16.43% | |
| <i>Tahoe Floor Plan</i> | 31 | 1016 | 102 | 3,162 | | | | 0.282% | 8.74% | 0.0027% |
| <i>Pueblo Floor Plan</i> | 31 | 1087 | 109 | 3,379 | | | | 0.301% | 9.33% | for each Storage Unit |
| <i>Stetson (A) Floor Plan</i> | 31 | 1076 | 108 | 3,348 | | | | 0.298% | 9.24% | |
| <i>Stetson (B) Floor Plan</i> | 31 | 1105 | 111 | 3,441 | | | | 0.306% | 9.49% | |
| <i>Sedona Floor Plan</i> | 62 | 1087 | 109 | 6,758 | 5.00 | 1.00 | | 0.301% | 18.66% | |
| <i>Residential Unit Floor Plan</i> | | <i>Square Footage Per Unit Within the Designated Floor Plan</i> | <i>Basis Points for Each Residential Unit in Floor Plan (sq. ft. / 10)</i> | <i>Total Basis Points Per Floor Plan (Basis Points x # of units)</i> | <i>Basis Points Per Garage</i> | <i>Basis Points Per Storage Unit</i> | <i>Total Basis Points - Entire Project</i> | | <i>For Each Residential Units: (1) Percentage of Common Elements; (2) Percentage of Common Expenses</i> | <i>For Garage and Storage Units: (1) Percentage of Common Elements; (2) Percentage of Common Expenses</i> |
| Totals: | 372 | | | 35,650 | 480 | 93 | 36,223 | | 98.43% | 1.57% |

Total of Unit and Garage/Storage Allocation: 100.00%

Legend

The following Residential Units have the Mesa Floor Plan:

Units # 01-201, 01-301, 02-201, 02-301, 03-201, 03-301, 04-201, 04-301, 05-201, 05-301, 06-201, 06-301, 07-201, 07-301, 08-201, 08-301, 09-201, 09-301, 10-201, 10-301, 11-201, 11-301, 12-201, 12-301, 13-201, 13-301, 14-201, 14-301

Units # 15-201, 15-301, 16-201, 16-301, 17-201, 17-301, 18-201, 18-301, 19-201, 19-301, 20-201, 20-301, 21-201, 21-301, 22-201, 22-301, 23-201, 23-301, 24-201, 24-301, 25-201, 25-301, 26-201, 26-301, 27-201, 27-301, 28-201, 28-301, 29-201, 29-301, 30-201, 30-301, 31-201, 31-301

The following Residential Units have the Navajo Floor Plan:

Units # 01-204, 01-304, 02-204, 02-304, 03-204, 03-304, 04-204, 04-304, 05-204, 05-304, 06-304, 07-204, 07-304, 08-204, 08-304, 09-204, 09-304, 10-204, 10-304, 11-204, 11-304, 12-204, 12-304, 13-204, 13-304, 14-204, 14-304

Units # 15-204, 15-304, 16-204, 16-304, 17-204, 17-304, 18-204, 18-304, 19-204, 19-304, 20-204, 20-304, 21-204, 21-304, 22-204, 22-304, 23-204, 23-304, 24-204, 24-304, 25-204, 25-304, 26-204, 26-304, 27-204, 27-304, 28-204, 28-304, 29-204, 29-304, 30-204, 30-304, 31-204, 31-304

The following Residential Units have the Dakota Floor Plan:

Units # 01-101, 01-104, 02-101, 02-104, 03-101, 03-104, 04-101, 04-104, 05-101, 05-104, 06-101, 06-104, 07-101, 07-104, 08-101, 08-104, 09-101, 09-104, 10-101, 10-104, 11-101, 11-104, 12-101, 12-104, 13-101, 13-104, 14-101, 14-104,

Units # 15-101, 15-104, 16-101, 16-104, 17-101, 17-104, 18-101, 18-104, 19-101, 19-104, 20-101, 20-104, 21-101, 21-104, 22-101, 22-104, 23-101, 23-104, 24-101, 24-104, 25-101, 25-104, 26-101, 26-104, 27-101, 27-104, 28-101, 28-104, 29-101, 29-104, 30-101, 30-104, 31-101, 31-104

The following Residential Units have the Tahoe Floor Plan:

Units # 01-303, 02-303, 03-303, 04-303, 05-303, 06-303, 07-303, 08-303, 09-303, 10-303, 11-303, 12-303, 13-303, 14-303

Units # 15-303, 16-303, 17-303, 18-303, 19-303, 20-303, 21-303, 22-303, 23-303, 24-303, 25-303, 26-303, 27-303, 28-303, 29-303, 30-303, 31-303

The following Residential Units have the Pueblo Floor Plan:

Units # 01-302, 02-302, 03-302, 04-302, 05-302, 06-302, 07-302, 08-302, 09-302, 10-302, 11-302, 12-302, 13-302, 14-302

Units # 15-302, 16-302, 17-302, 18-302, 19-302, 20-302, 21-302, 22-302, 23-302, 24-302, 25-302, 26-302, 27-302, 28-302, 29-302, 30-302, 31-302

The following Residential Units have the Stetson A Floor Plan:

Units # 01-102, 02-102, 03-102, 04-102, 05-102, 06-102, 07-102, 08-102, 09-102, 10-102, 11-102, 12-102, 13-102, 14-102

Units # 15-102, 16-102, 17-102, 18-102, 19-102, 20-102, 21-102, 22-102, 23-102, 24-102, 25-102, 26-102, 27-102, 28-102, 29-102, 30-102, 31-102

The following Residential Units have the Stetson B Floor Plan:

Units # 01-103, 02-103, 03-103, 04-103, 05-103, 06-103, 07-103, 08-103, 09-103, 10-103, 11-103, 12-103, 13-103, 14-103

Units # 15-103, 16-103, 17-103, 18-103, 19-103, 20-103, 21-103, 22-103, 23-103, 24-103, 25-103, 26-103, 27-103, 28-103, 29-103, 30-103, 31-103

The following Residential Units have the Sedona Floor Plan:

Units # 01-202, 01-203, 02-202, 02-203, 03-202, 03-203, 04-202, 04-203, 05-202, 05-203, 06-202, 06-203, 07-202, 07-203, 08-202, 08-203, 09-202, 09-203, 10-202, 10-203, 11-202, 11-203, 12-202, 12-203, 13-202, 13-203, 14-202, 14-203

Units # 15-202, 15-203, 16-202, 16-203, 17-202, 17-203, 18-202, 18-203, 19-202, 19-203, 20-202, 20-203, 21-202, 21-203, 22-202, 22-203, 23-202, 23-203, 24-202, 24-203, 25-202, 25-203, 26-202, 26-203, 27-202, 27-203, 28-202, 28-203, 29-202, 29-203, 30-202, 30-203, 31-202, 31-203

NOTE: The Allocated Interests in the Common Elements and Common Expenses has been determined in accordance with Section 2.2 hereof. Finished square footage is measured in a uniform, consistent manner throughout the Residential Units. This square footage may differ from the square footage as measured for marketing, surveying, sales or taxation purposes.

EXHIBIT C
Recorded Easements and Licenses Appurtenant to the Project

1. Terms, conditions, provisions, agreements and obligations specified under the Closing Agreement Affecting Real Property by and between Stroh Ranch Development Limited Partnership and Signature-Ironstone, LLC recorded May 18, 1998 in Book 1550 at Page 1409.
2. Terms, conditions, provisions, agreements and obligations specified under the Sewer Main Improvement Agreement for Ironstone at Stroh Ranch by and between the Parker Water and Sanitation District and Signature-Ironstone, LLC, recorded August 31, 1998 in Book 1592 at Page 2343.
3. The right of proprietor of a vein or lode to extract or remove his ore should the same be found to penetrate or intersect the premises thereby granted as reserved in United States patent recorded December 28, 1878 in Book H at Page 609; and any and all assignments thereof or interest therein. (Affects Parcel I)
4. The right of proprietor of a vein or lode to extract or remove his ore should the same be found to penetrate or intersect the premises thereby granted as reserved in United States patent recorded September 24, 1896 in Book 12 at Page 40; and any and all assignments thereof or interest therein. (Affects Parcel II)
5. The right of proprietor of a vein or lode to extract or remove his ore should the same be found to penetrate or intersect the premises thereby granted as reserved in United States patent recorded February 23, 1887 in Book P at Page 41; and any and all assignments thereof or interest therein.
6. An easement for utilities and incidental purposes granted to Colorado Interstate Gas Company in instrument recorded in Book 83 at Page 133 and assigned to Public Service Company of Colorado by the instrument recorded December 4, 1967 in Book 180 at Page 332.
7. An easement for utilities and incidental purposes granted to Mountain States Telephone and Telegraph Company by the instrument recorded July 27, 1939 in Book 93 at Page 340.
8. The effect of the following instruments: P.D. Development Guide recorded April 12, 1984 in Book 533 at Page 779. Annexation Contract recorded August 8, 1984 in Book 533 at Page 909. Planned Development Master Plan Map recorded August 8, 1984 at Reception No. 333265.
9. Easements for access, utilities, roads and drainage as shown on the following plats:

Stroh Ranch Filing No. 1, recorded February 29, 1988 at Reception No. 8803042 and Stroh Ranch Filing No. 1, 1st Amendment recorded November 26, 1997 at Reception No.

9768286 and Stroh Ranch Filing No. 10 recorded April 27, 1998 at Reception No. 9829767, and restrictions as shown under Note No. 6 on said Stroh Ranch Filing No. 10.

10. Any assessment or lien of Cherry Creek South Metropolitan District No. 1, as disclosed by the instruments recorded April 30, 1998 in Book 1542 at page 376, re-recorded August 28, 1998 in Book 1592 at Page 602 and October 19, 1998 in Book 1612 at Page 1062.

11. Covenants, conditions and restriction, which do not include a forfeiture or reverter clause, set forth in the instrument recorded March 18, 1988 in Book 782 at Page 133 and restated Declaration of Covenants and Conditions concerning the Center at Creekside recorded August 11, 1988 in Book 808 at Page 117. Provisions regarding race, color, creed, and national origin, if any, are deleted.

12. Terms, conditions and provisions of Water Storage Agreement recorded March 30, 1990 in Book 904 at Page 432.

13. Covenants, conditions and restrictions, which do not include a forfeiture or reverter clause, set forth in the instrument recorded April 13, 1998 in Book 1535 at page 915. Provisions regarding race, color, creed, and national origin, if any, are deleted.

14. Notice recorded August 14, 1998 in Book 1586 at Page 1621.

15. Abstract of Lease with Automatic Laundry Company recorded June 24, 1999 in Book 1724 at Page 1649.

16. An easement for Television Programming Equipment and incidental purposes granted to Mountain States Video Communications by the instrument recorded October 26, 1999 in Book 1770 at Page 364.

17. Matters shown on survey dated August 30, 2001 by Frontier Surveying, Inc., Job No. 98129A.

EXHIBIT D
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 Project 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 Project is located unless otherwise agreed by the Parties.

5. Except as modified herein the arbitration shall be conducted pursuant to the then current Commercial Rules of Arbitration of the American Arbitration Association to the extent applicable.

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.