

CONDOMINIUM DECLARATION

OF

THE GREENSTONES

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EXHIBIT C TABLE OF INTERESTS

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EXHIBIT E SCHEDULE OF MAINTENANCE RESPONSIBILITIES

EXHIBIT F ARBITRATION PROCEDURES

CONDOMINIUM DECLARATION OF THE GREENSTONES

PREAMBLE

THIS DECLARATION is made on the date hereinafter set forth, by **Porchfront Homes at Sanitas Terrace, LLC**, a Colorado limited liability company (“Declarant”).

WHEREAS, Declarant is the owner of certain real property located in Boulder, Colorado, as more particularly described on Exhibit A and Exhibit B attached hereto and incorporated herein by reference;

WHEREAS, Declarant has constructed a residential condominium community on the real property containing residential condominium units together with other improvements thereon (the “Condominium Community”); and

WHEREAS, Declarant will convey the real property, subject to the covenants, restrictions, reservations, and obligations as hereinafter set forth.

NOW THEREFORE, Declarant hereby submits the real property described on Exhibit A attached hereto, together with all easements, rights, and appurtenances thereto and improvements thereon to the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-10 et seq., as it may be amended from time to time. In the event the Act is repealed, the Act as it exists on the date this Declaration is recorded shall remain applicable.

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

ARTICLE ONE: DEFINITIONS

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

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

1.2 AGENCIES means and collectively refers to the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the U.S. Department of Housing and Urban Development (HUD/FHA), the Department of Veterans Affairs (VA) or any

other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of these entities.

1.3 ALLOCATED INTERESTS means the Percentage Ownership Interest in the Common Elements, the Common Expense Liability and the votes in the Association that are allocated to each of the Units in the Condominium Community. The formulas used to establish an individual Unit's Allocated Interests are as follows:

(a) Percentage Ownership Interest in the Common Elements. Each Unit's Percentage Ownership Interest in the Common Elements and share of the Common Expense Assessment Liability shall be determined by dividing the approximate finished square footage area of a Unit by the total approximate finished square footage area of all Units within the Condominium Community and is as set forth on Exhibit C attached hereto.

(b) Common Expense Assessment Liability. The Common Expense Assessment Liability allocated to a particular Unit is a percentage determined by dividing the approximate finished square footage area of a Unit by the total approximate finished square footage area of all Units within the Condominium Community and is as set forth on Exhibit C attached hereto. Notwithstanding the foregoing, certain expenses, though common to some or all of the Units, will be allocated and assessed against the Units as provided for in ARTICLE FIVE, based on which Units may be benefiting from and/or utilizing or incurring such expenses more than other Units.

(c) Votes. Each Unit within the Condominium Community is allocated one vote as set forth in Exhibit C attached hereto and in accordance with Section 4.7 herein.

(d) Square Footage. The square footage area of a Condominium Unit has been determined by Declarant based on approximate dimensions and the calculation of the Percentage Ownership Interest in the Common Elements and the Common Expense Assessment Liability has been rounded. Square footage calculation for the purpose of determining allocated interests may differ from calculations made from architectural plans or for property tax assessments, real estate sales and advertising, real estate appraisals, loan purposes and/or other purposes. *DECLARANT MAKES NO REPRESENTATION AS TO THE SQUARE FOOTAGE OF THE UNITS.*

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

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

1.6 ASSESSMENT LIEN means the statutory lien on a Unit for any Assessment levied against that Unit together with all Costs of Enforcement as herein defined. All Costs of Enforcement are enforceable as Assessments. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due. The

recording of this Declaration constitutes record notice and perfection of the lien. No further recordation or claim of lien for the Assessment is required.

1.7 ASSOCIATION means **The Greenstones Owners Association**, a Colorado nonprofit corporation, organized pursuant to § 38-33.3-301 of the Act, its successors and assigns. The Articles of Incorporation and Bylaws of the Association, as defined herein, along with this Declaration, shall govern the administration of the Condominium Community. The Members of the Association shall be all of the Owners of Units within the Condominium Community.

1.8 BOARD OF DIRECTORS or BOARD means the Board of Directors of the Association duly elected pursuant to this Declaration and the Bylaws of the Association or appointed by Declarant as provided herein and in the Bylaws. The Board of Directors is the governing body of the Association and shall act on behalf of the Association. The term Board of Directors as used herein is synonymous with the term Executive Board used in the Act.

1.9 BUDGET means the annual budget of the Association prepared and adopted in accordance with Section 4.11 hereof.

1.10 BUILDING(S) means the building(s) in the Condominium Community containing Units and Common Elements.

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

1.12 CITY means the City of Boulder, Colorado, a Colorado home rule city.

1.13 COMMON ELEMENTS means all of the Condominium Community as defined herein, except the portions thereof that constitute Units, and also includes any facilities, improvements and/or fixtures that may be within a Unit and are or may be necessary or convenient to the support, existence, use, maintenance, repair or safety of a Building or any other Unit therein, and those Common Elements that are assigned to the exclusive use of one or more, but not all, of the Owners. The Common Elements are owned in common by the Owners and allocated in accordance with Section 1.3 hereof.

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

(a) all of the real property, landscaping, and easements designated as Common Elements on the Map;

(b) all foundations, columns, beams and supports of the Buildings;

(c) the exterior walls of the Buildings, the bearing and utility walls within the Buildings, the main and bearing subflooring and the roof of the Buildings;

(d) all entryways, stairs, stairways, and walkways not within a Unit;

(e) all utility, service and maintenance rooms, fixtures, conduits, cables, pipes, wiring, installations and facilities for utilities including but not limited to electricity, gas, telephone, cable television, water and sewer that serve more than one Unit; and,

(f) in general, all other parts of the Condominium Community necessary in common use or convenient to its existence, maintenance and safety.

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

1.14 COMMON EXPENSE ASSESSMENTS means those Assessments described in *Section 5.2* hereof.

1.15 COMMON EXPENSE ASSESSMENT LIABILITY means the liability for Common Expenses allocated to each Condominium Unit that is determined in accordance with that Unit's Allocated Interests as set forth in Section 1.3 hereof.

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

1.17 CONDOMINIUM COMMUNITY means the real property and the improvements located thereon as more fully described on the attached Exhibit A and known as **THE GREENSTONES** and shall also include all real property and improvements added into the Condominium Community pursuant to this Declaration.

1.18 CONDOMINIUM UNIT or UNIT means the individual air space designated for separate ownership, and all improvements and fixtures contained in such air space (other than any Common Elements located therein), as shown on the Map and identified thereon with a Condominium Unit designation.

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

1.20 COUNTY means Boulder County, Colorado.

1.21 DECLARANT means **Porchfront Homes at Sanitas Terrace, LLC**, a Colorado limited liability company, or its successors as defined in § 38-33.3-103(12) of the Act.

1.22 DECLARANT RIGHTS means the development, special declarant and other rights granted to or reserved by Declarant for the benefit of Declarant as set forth in this Declaration and the Act.

1.23 DECLARATION means this Declaration and the Map and any supplements and amendments thereto recorded in the Office of the Clerk and Recorder of Boulder County, Colorado.

1.24 DECLARANT RIGHTS means the rights, as defined by § 38-33.3-103(14) and 38-33.3-103(29) of the Act, reserved by Declarant under this Declaration and in particular in ARTICLE TEN hereof.

1.25 ELIGIBLE MORTGAGEE means a holder, insurer, or guarantor of a First Security Interest who has delivered a written request to the Association containing its name, address, the legal description, and the address of the Condominium Unit encumbered by its First Security interest, requesting that the Association notify them on any proposed action requiring the consent of the specified percentage of Eligible Mortgagees.

1.26 FINES means those fines described in Section 5.4(c) hereof.

1.27 FIRST MORTGAGEE means any Person that owns, holds, insures or is a guarantor of a Security Interest, as herein defined, that is a First Security Interest encumbering a Condominium Unit within the Condominium Community. A First Mortgagee shall also include the holder of executory land sales contracts wherein the Administrator of the VA is the Seller, whether such contract is recorded or not.

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

1.29 GUEST means (a) a guest or invitee of an Owner or tenant; (b) an occupant or tenant of a Condominium Unit within the Condominium Community, and any members of his or her household, invitee or cohabitant of any such Person; (c) a contract purchaser; or (d) an employee, customer or client of an Owner or tenant.

1.30 GOVERNMENTAL LAWS means all applicable laws, statutes, regulations, rules, codes, ordinances, orders and other validly imposed requirements of any governmental body or authority.

1.31 IMPROVEMENTS means:

(a) all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, including but not limited to buildings, patios, patio covers, awnings, solar collectors, painting, or other finish materials on any visible structure, additions, walkways, driveways, stairs, decks, exterior light fixtures, poles, signs, heating and cooling and other heating ventilation and cooling equipment and water softening equipment;

(b) the demolition or destruction, by voluntary action, of any building, structure or other improvements;

(c) the grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern;

(d) all landscaping features, including, but not limited to, sprinkler systems, fountains, pools and other water features, fences, screening walls, retaining walls, trees, shrubs, flowers, sod and other plantings;

(e) any change, alteration, modification, expansion, or addition to any previously approved Improvement, including any change of exterior appearance, finish material, color or texture.

1.32 INDIVIDUAL ASSESSMENT means that Assessment described in Section 5.4(b) hereof.

1.33 LIMITED COMMON ELEMENTS means those parts of the Common Elements that are limited to and reserved for the exclusive use of the Owner of a particular Unit as designated on the Map and as provided in Section 2.11 herein.

1.34 MANAGING AGENT means any Person the Board of Directors may engage to administer and manage the affairs of the Association.

1.35 MAP means the CONDOMINIUM MAP OF THE GREENSTONES that, in addition to the requirements set forth in § 38-33.3-209 of the Act, shall also depict the following, to wit:

(a) The legal description of the surface of the Condominium Community; and

(b) The linear measurements and location, with reference to the exterior boundaries of the Condominium Community, of the Building(s) and all improvements built within the Condominium Community; and

(c) The floor plans and elevation plans of the Building(s) within the Condominium Community showing the location, boundaries, dimensions and identifying designation of each Condominium Unit and the designation of Common Elements and Limited Common Elements; and

(d) The elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plan, and the linear measurements showing the thickness of the exterior or perimeter walls of the Condominium Units and of the Building(s).

The Map, and any supplements thereto, shall contain a certificate by a registered land surveyor certifying that the Map contains (a) all of the information required by § 38-33.3-209 of the Act, and (b) that the Map was prepared subsequent to substantial completion of the improvements.

In interpreting the Map, the existing physical boundaries of each separate Condominium Unit as constructed shall be conclusively presumed to be its boundaries.

Declarant hereby reserves to the Board of Directors of the Association the right, from time to time, without consent of any Owner or First Mortgagee being required, to amend the Map (a) to ensure that the language used on the Map is identical to and consistent with the language contained in the Declaration, (b) to establish, vacate, and relocate utility easements and access easements, (c) to establish certain Common Elements as Limited Common Elements, (d) to reflect the subdivision or combination of any Unit as provided hereunder, and (e) as may be otherwise permitted by the Act.

In all other cases the Map may be amended in accordance with Sections 13.2 and 13.3 hereof. The Map also may be supplemented or amended pursuant to the Declarant Rights, in particular those set forth in ARTICLE TEN and ARTICLE FIFTEEN of this Declaration.

The Map and any supplements thereto are hereby incorporated herein by reference as if set forth herein in their entirety.

1.36 MASTER ASSOCIATION means the Sanitas Terrace Homeowners Association, Inc.

1.37 MASTER ASSOCIATION DOCUMENTS means the Master Declaration, the Articles of Incorporation of Sanitas Terrace Homeowners Association, Inc. as filed with the Colorado Secretary of State, and the Bylaws and the Rules of the Master Association, if any.

1.38 MASTER DECLARATION means The Declaration of Covenants, Conditions and Restrictions of Sanitas Terrace, recorded in the Office of the Clerk and Recorder of Boulder County, Colorado on April 27, 2005 as Reception No. 2683353, as amended by instruments recorded August 31, 2005 as Reception No. 2718104 and July 28, 2008 at Reception No. 2945850, and as may be further amended by such other amendments as may be recorded from time to time. The Master Declaration provides for the collection of assessments and a lien for such assessments against the property subject to the Master Declaration. The Units in the Condominium Community are subject to the collection of assessments and lien rights as provided for in the Master Declaration. These assessments will be included in the budget of the Association and collected as part of the assessments of the Association and paid to the Master Association by the Association.

1.39 MEMBER means each Owner, as set forth in Section 1.41 hereof, in the Owner's capacity as a Member of the Association.

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

1.41 OWNER means the owner of record of the fee simple title to any Unit that is subject to this Declaration, whether one or more Persons or entities, including Declarant, so long as any Unit remains unsold, excluding, however, those having an interest merely as security for the performance of any obligation.

1.42 PARKING SPACES means areas that are part of the common elements and are designated on the Map for as parking spaces. Parking Spaces shall be used for the parking of vehicles. A Parking Space that is allocated to a specific Unit as a limited common element will be designated as such by Declarant on the Map or by appropriate instrument of conveyance. Certain Parking Spaces may be enclosed to become Garage Spaces. The Map will designate which Parking Spaces may be enclosed to become Garage Spaces. See also Section 2.16 of this Declaration.

1.43 PERIOD OF DECLARANT CONTROL means that period of time defined in Section 4.8 hereof.

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

1.45 PRIVATE YARDS means the private yards designated on the Map as limited common elements allocated to a specific Condominium Unit. A Private Yard is to be maintained by the Owner of the Unit to which the Private Yards has been allocated in accordance with Section 9.6 of this Declaration.

1.46 PROJECT DOCUMENTS means this Declaration and the Map recorded and filed pursuant to the provisions of the Act, and the Articles, Bylaws and Rules, if any, as they may be amended and supplemented from time to time.

1.47 RESTRICTED COMMON ELEMENTS means those portions of the Common Elements that Declarant has designated as Restricted Common Elements on the Map or as the Board of Directors may designate as such from time to time pursuant to Section 2.17 hereof.

1.48 RULES means the rules and regulations adopted by the Board of Directors for the regulation and management of the Condominium Community as amended from time to time.

1.49 SECURITY INTEREST means an interest in real estate or personal property created by contract or conveyance that secures payment or performance of any obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

1.50 SPECIAL ASSESSMENT means those Assessments described in Section 5.4(d) hereof.

1.51 STORAGE SPACES means areas that are part of the common elements and are designated on the Map for as storage spaces. Storage Spaces shall be used for the storage of personal property of the Unit Owner having the right to use the particular Storage Space. Storage Spaces will be allocated to specific Units as a limited common element and will be designated as such by Declarant on the Map or by appropriate instrument of conveyance. See also Section 2.18 of this Declaration.

1.52 UNITS THAT MAY BE CREATED means twenty three (23) Condominium Units or such greater number of Units as may be allowed by any governmental entity having jurisdiction over the Community pursuant to any development plan. The Units That May Be Created shall be the maximum number of Units that may be added and made subject to the Declaration and included in the Condominium Community. Units That May Be Created shall also include any additional Units that may be created pursuant to the provisions of Section 2.6 of this Declaration and the Act. Declarant shall not be obligated to expand the Community beyond the number of Units initially submitted to this Declaration.

1.53 “VA APPROVAL” AND/OR “FHA APPROVAL” means that the Condominium Community has been or may be approved by the VA and/or the HUD/FHA so that those agencies will insure or guarantee loans made on the Units within the Community.

ARTICLE TWO: NATURE AND INCIDENTS OF THE CONDOMINIUM COMMUNITY

2.1 The Condominium Community. The name of the Condominium Community is **THE GREENSTONES.**

2.2 Initial Number of Units. The initial number of Units in the Community is six (6). The Declarant reserves the right, but is not obligated, to create additional Units by the expansion of the Community in accordance with ARTICLE FIFTEEN of this Declaration.

2.3 Division into Units, Estates of an Owner. The Condominium Community is hereby divided into six (6) Condominium Units, consisting of a separate fee simple estate in a particular Condominium Unit and an appurtenant undivided fee simple interest in the Common Elements. The undivided interest in the Common Elements appurtenant to a particular Condominium Unit is determined as provided in Section 1.3 of this Declaration and is set forth on Exhibit C attached hereto.

2.4 Title. A Unit may be held and owned by more than one Person as joint tenants or as tenants in common and/or in any real property tenancy relationship recognized under the laws of the State of Colorado.

2.5 Description of a Condominium Unit. Every contract for the sale of a Condominium Unit written prior to the recording of the Map and this Declaration may legally describe a Unit by its identifying Unit number designation followed by the words “THE GREENSTONES” with further reference to the Map thereof and the Declaration to be recorded. Upon recordation of the Map and the Declaration in the records of the Office of the Clerk and Recorder of Boulder County, Colorado, the description shall be conclusively presumed to relate to the therein described Units.

Every deed, lease, mortgage, trust deed, will or other instrument may legally describe a Unit by its identifying number followed by the words “THE GREENSTONES.”

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

UNIT _____, BUILDING _____, THE GREENSTONES, according to the CONDOMINIUM MAP OF THE GREENSTONES, recorded _____, 2011 as Reception No. _____, and as defined by the CONDOMINIUM DECLARATION OF THE GREENSTONES, recorded _____, 2011 as Reception No. _____, in the Office of the Clerk and Recorder of Boulder County, Colorado.

This legal description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Condominium Unit, but also the Common Elements and the right to the use of the Limited Common Elements appurtenant thereto. This legal description shall be construed to include a nonexclusive easement for appropriate ingress and egress throughout the Condominium Community and for the use of the Common Elements, together with the right to the exclusive use of the Limited Common Elements appurtenant thereto, and all other easements, obligations, limitations, rights, encumbrances, covenants, conditions, and restrictions created in this Declaration. The reference to the Map and Declaration in any instrument shall be deemed to include any supplements or amendments to the Map or Declaration, without specific references thereto.

The undivided interest in the Common Elements appurtenant to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description and the instrument conveying or encumbering the Unit may only refer to the title to that Unit.

2.6 Combination/Subdivision of a Unit. A Condominium Unit may only be combined or re-subdivided as may be allowed by the Act and the land use, building code and zoning regulations of the City.

2.7 Unit Boundaries. In general the interior finished surfaces of the perimeter walls, lowermost floors and uppermost ceilings shall mark the perimeter boundaries of a Unit and all paneling, tiles, wallpaper, paint, finished flooring, including any radiant flooring and any of its components, and any other materials constituting any part of the finished surfaces thereof are a part of the Units, and all other portions of the walls, floors, or ceilings are part of the Common Elements.

If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any fixtures lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit. Subject to the above, all spaces, interior partitions, and other fixtures and improvements located within the boundaries of a Unit are a part of the Unit.

2.8 Physical Boundaries. The existing physical boundaries of any Unit or Common Elements shall be conclusively presumed to be the boundaries.

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

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

2.11 Limited Common Elements. The Limited Common Elements shall be identified on the Map or described in this Declaration. In addition to those Limited Common Elements identified on the Map or described elsewhere in this Declaration the following are Limited Common Elements: (1) the flue and flue chase serving and connected to a fireplace in a Condominium Unit that are outside of the Condominium Unit are Limited Common Elements appurtenant to that Condominium Unit; (2) the heating, ventilating and air conditioning (HVAC) facilities, solar panels and other utility or telecommunications facilities on the roofs of the Buildings and the pipes and wires and other facilities connected to the HVAC, solar panels or other utility or telecommunications facilities are Limited Common Elements appurtenant to the particular Condominium Unit served by each HVAC or other utility or telecommunications facilities; and (3) all doors, door casings and door trim and windows of a Unit or serving only on Condominium Unit are Limited Common Elements appurtenant to that Condominium Unit. Any Limited Common Elements that are accessible from, associated with or that adjoin a Condominium Unit that are identified as Limited Common Elements on the Map shall, without further reference thereto, be used in connection with such Condominium Unit to the exclusion of the use thereof by the other Owners except by invitation. With regard to the roof(s) of the Building(s) and the location of certain Limited Common Elements on the roof(s), Declarant may designate on the Map certain areas to be used for the location of HVAC facilities, solar panels and other utility or telecommunications facilities as Limited Common Elements allocated to a particular Unit. These Limited Common Elements areas may be designated as "Utility Pads" or other similar nomenclature. Further, Declarant hereby reserves for the benefit of Declarant, subject to the limitations set forth in Section 10.3 of this Declaration, and thereafter for the benefit of the Board of Directors, the right to amend the Map from time to time to show the locations of Limited Common Elements located on the roof such as HVAC facilities, solar panels and other utility and telecommunications facilities serving the Units.

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

2.12 Mechanic's Liens Against the Condominium Units. Upon the completion of the Condominium Community by Declarant and payment of all of the costs thereof, then, no mechanic's lien shall arise or be effective against the Condominium Community. Mechanic's liens may only arise or be created against a Condominium Unit in the same manner and under

the same conditions as mechanic's liens may arise or be created upon any other parcel of real property subject to individual ownership.

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

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

In the event a mechanic's lien is recorded against two or more Units, an Owner of a Unit subject to the lien may obtain the release of the Owner's Condominium Unit from the mechanic's lien by payment of the fractional or proportional amount attributable to each of the Units affected. An Owner's fractional or proportional amount shall be determined in accordance with and in proportion to the respective Percentage Ownership Interests in the Common Elements as set forth in Section 1.3 of this Declaration. Upon payment, discharge or other satisfaction, such Unit shall promptly be released from such lien. Partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his or her rights against any Unit not so released.

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

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

2.13 Restrictions on Sale of a Condominium Unit. The right of an Owner to sell or transfer or otherwise convey that Owner's Unit is not subject to any right of first refusal.

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

2.15 Separate Taxation. Each Unit shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither the Building nor the Common Elements shall be deemed to be a parcel. The lien for taxes assessed to any

Unit shall be confined to that Unit. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

2.16 Parking Spaces/Parking Garage/Garage Spaces. The Parking Spaces located in the Parking Level area(s) of the Building(s) shown on the Map are Limited Common Elements assigned and allocated to specific Condominium Units as indicated on the Map. The Association is responsible for the maintenance and repair of the Parking Spaces, the expenses of which shall be allocated and assessed to the Owners as part of the Common Expense Assessment in accordance with Section 5.4 of this Declaration. Parking Spaces shall be used for the parking of motor vehicles in active use and shall not be used for the storage of vehicles or any other items or materials.

Declarant will indicate on the Map those certain Parking Spaces that may be enclosed to become Garage Spaces and/or those Parking Spaces that have been built by Declarant as Garage Spaces. A Garage Space will be designated on the Map as a Limited Common Element assigned and allocated to a particular Condominium Unit. Further, Declarant reserves for the benefit of Declarant, subject to the limitations set forth in Section 10.3 of this Declaration, and thereafter for the benefit of the Board of Directors, the right to amend the Map from time to time to show and designate as a Garage Space a Parking Space that has been enclosed to become a Garage Space.

The Board of Directors shall have the authority to establish Rules regarding the use of the Parking Spaces and Garage Spaces. The right to use a Parking Space or a Garage Space may be leased by the Owner of the Unit to which the Parking Space or Garage Space is allocated to another Unit Owner only with the prior written approval of the Board of Directors. Such approval of the Board of Directors shall not be unreasonably withheld. Parking Spaces or Garage Spaces may not be leased to Persons other than Unit Owners. An Owner shall be responsible to keep the Parking Space(s) or Garage Space(s) allocated to the Owner's Unit in a neat and clean condition. Additionally an Owner shall be responsible to maintain, repair and replace the enclosing walls, the garage doors and all other improvements within a Garage Space allocated to the Owner's Unit. A Garage Space shall be maintained in good working order and repair by the Owner of the Unit to which the Garage Space is allocated.

2.17 Restricted Common Elements. Restricted Common Elements are those parts of the Common Elements that Declarant has designated, and hereafter, that the Board of Directors may designate from time to time, as Restricted Common Elements. These may include by way of example, and not by way of limitation, the roof, mechanical or utility rooms or Association storage areas. Subject to the easement rights of the Owners as provided for in Section 3.8 herein, in order to keep these areas more secure and protect them for use for the purposes for which they are intended, access to and use of any of the Restricted Common Elements is subject to the authorization and approval of the Board of Directors.

2.18 Storage Spaces. The Storage Spaces located in the Parking Level area(s) of the Building(s) shown on the Map are Limited Common Elements assigned and allocated to specific Condominium Units as indicated on the Map. The Association is responsible for the

maintenance and repair of the exterior and structure of the Storage Spaces, the expenses of which shall be allocated and assessed to the Owners as part of the Common Expense Assessment in accordance with Section 5.4 of this Declaration. Storage Spaces shall be used for the storage of the personal property of the Owner of the Unit to which the Storage Space is allocated as a Limited Common Element or such Owner's tenant and shall not be used for the storage of any hazardous or dangerous items or materials.

The Board of Directors shall have the authority to establish Rules regarding the use of the Storage Spaces. The right to use a Storage Space may be leased by the Owner of the Unit to which the Storage Space is allocated to another Unit Owner only with the prior written approval of the Board of Directors. Such approval of the Board of Directors shall not be unreasonably withheld. Storage Spaces may not be leased to Persons other than Unit Owners. An Owner shall be responsible to keep the Storage Space(s) allocated to the Owner's Unit in a neat and clean condition.

ARTICLE THREE: VARIOUS RIGHTS AND EASEMENTS

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

(a) To borrow money to improve the Common Elements and to mortgage the Common Elements as security for any such loan; provided, however, that the Association may not subject any portion of the Common Elements to a security interest unless such is approved by the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, subject to and as more fully set forth in § 38-33.3-312 of the Act.

(b) To convey or dedicate all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated, subject to and as more fully set forth in § 38-33.3-312 of the Act.

The granting of leases, permits, licenses and easements on, through or over the Common Elements shall not be deemed a conveyance or encumbrance within the meaning of this Article as more fully set forth in §§ 38-33.3-302 and 38-33.3-312 of the Act.

(c) To promulgate and adopt Rules governing the Common Elements.

(d) To take actions reasonably necessary to protect the Common Elements against foreclosure.

(e) Subject to Section 4.12 of this Declaration, to enter into, make, perform, or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of the Common Elements by Owners and Guests for any purpose the Board may deem to be useful, beneficial or otherwise appropriate.

(f) To close or limit the use of the Common Elements temporarily while maintaining, repairing and making replacements in the Common Elements, or permanently if approved by Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, subject to and as more fully set forth in § 38-33.3-312 of the Act. Also see Sections 3.10 and 4.14(b) of this Declaration.

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

(h) The rights granted to the Board of Directors in Section 4.15 of this Declaration.

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

3.3 Delegation of Use. Any Owner may delegate his or her right of enjoyment to the Common Elements and Limited Common Elements and facilities to his or her Guests subject to the Project Documents.

3.4 Easements Generally. The Condominium Community shall be subject to all easements as shown or created on the Map, those of record, those provided in the Act and those set forth in this Article and other provisions of this Declaration.

3.5 Utility Easements. There is hereby created and granted a blanket easement on, over, in, under, and through the entire Condominium Community for the installation, replacement, repair, operation and maintenance of utilities serving the Condominium Community, including but not limited to water, sewer, solar energy facilities, gas, telephone, electricity, and fiber optic, satellite and cable telecommunications systems. This blanket utility easement includes future utility services not presently available to the Condominium Community that may reasonably be required in the future.

By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary utility facilities, equipment, and other appurtenances within, in, on, over, under, or across the Common Elements, including without limitation, the exteriors of the Building and the walls within the Building (that are part of the Common Elements), and to affix, repair, and maintain wires, cables, circuits, conduits, pipes, equipment, and apparatus within, on, over, across, and under the Common Elements, including the roofs, exterior walls, and interior walls (that are part of the Common Elements) of the Building.

Should any utility company furnishing a service covered by the easement herein created request a specific easement by separate recordable document, Declarant shall have, and hereby reserves, the right and authority to grant such easement upon, across, over, or under any part or all of the Condominium Community without conflicting with the terms hereof; provided, however, that such power shall cease upon termination of Declarant Rights as provided in Section 10.3 of this Declaration, at which time such reserved right shall vest in the Association.

The easement granted in this Section 3.5 shall not in any way affect, avoid, extinguish or modify any other recorded easement(s) on, over, in, under, and through the Condominium Community.

3.6 Owner's Easement for Support and Utilities. Each Owner shall have a non-exclusive easement in and over the Common Elements within the Condominium Community including the Common Elements within the Condominium Unit of another Owner, for horizontal and lateral support of the Owner's Condominium Unit, and for utility service to the Owner's Condominium Unit, including but not limited to water, sewer, gas, electricity, telephone and fiber optic, satellite and cable telecommunications services. No Owner shall tamper with any utility lines or connections, or alter them in any way, or undertake any work that would jeopardize or interfere with any utilities serving the Building(s), the Condominium Units, the Common Elements, the Condominium Community or any portion thereof, except that an Owner may perform work on the utilities serving only that Owner's Unit in order to make necessary repairs to the Unit or to make improvements to the Unit that have been approved in writing by the Association as required by this Declaration.

3.7 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.

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 Building, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Condominium Community or any part thereof or by any other movement of any portion of the improvements located in the Condominium Community.

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

For routine maintenance and non-emergency repairs, entry shall be made only on a regular business day during regular business hours, after at least one day's prior written notice to

the Owner. In case of emergency, entry shall be made at any time provided that a reasonable effort according to the circumstances is made to give notice of entry.

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

All 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 utilities, at the instance of the Association, shall be paid for as part of the Common Expenses of the Association. No diminution or abatement for Common Expense Assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements or from action taken to comply with any governmental law. Damaged improvements shall be restored to substantially the same condition as existed prior to damage.

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

All Owners shall have an easement over the Common Elements as may be reasonably necessary for the maintenance, repair or replacement of the Owner's Unit, any of the Limited Common Elements appurtenant to the Owner's condominium unit or the utilities serving the Owner's Unit. Any damages to any part of the Common Elements or another Unit, or any of the Limited Common Elements appurtenant to the Owner's Unit or the utilities serving the Owner's Unit, resulting from the maintenance, repair, emergency repair or replacement by an Owner of any portion of the Owner's Unit, shall be promptly repaired and paid for by that Unit Owner. In the event the Owner fails to promptly repair and pay for the cost of the damages incurred after notice from the Association, the Board of Directors may make the repair and pay for the damages and charge the Owner responsible for such costs as an Individual Assessment in accordance with Section 5.4(b) of this Declaration.

3.9 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Condominium Community, to enter upon all driveways located in the Condominium Community in the performance of their duties.

3.10 Director's Easements. Subject to Section 4.12 of this Declaration, the Board of Directors has the right to grant leases, permits, licenses and easements on, over, in, under and through the Common Elements for utilities, driveways, and other purposes the Board may deem to be useful, beneficial, or otherwise appropriate. See also Sections 3.1, 3.5 and 4.15(b) of this Declaration.

3.11 Recording Data Regarding Easements. Pursuant to § 38-33.3-205(1)(m) of the Act, the recording data for recorded easements and licenses appurtenant to or included in the Condominium Community, or to which any portion of the Condominium Community is or may become subject to, are set forth on the attached Exhibit D.

3.12 Owner's Easement for Access. Each Owner shall have a nonexclusive easement over the Common Elements for access between the Owner's Condominium Unit and the streets adjacent to the Condominium Community.

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

3.14 "Utility Pad" Easement. An Owner shall have an easement for access, maintenance and repairs to the "Utility Pads" (see Section 2.11 above) that are located on the roofs of the Units to the extent such Utility Pad has been designated on the Map and assigned and allocated to that Owner's Unit. Such access shall be limited to qualified, insured professional technicians and other authorized persons, such as persons hired by the Association or its Managing Agent to maintain, repair or replace the Common Elements or Limited Common Elements and as may be provided for in the Rules. The easement shall be appurtenant to the Owner's Unit. The Utility Pads may be designated as Limited Common Elements on the Map or on such amendments to the Map that may be recorded from time to time.

ARTICLE FOUR: THE ASSOCIATION

4.1 Name. The name of the Association is **The Greenstones Owners Association.**

4.2 Purposes and Powers. The Association, through its Board of Directors, shall manage, operate, care for, insure, maintain, repair, and reconstruct all of the Common Elements and keep the same in a safe, attractive, and desirable condition for the use and enjoyment of all of the Owners and the Guests of the Condominium Community. The Board of Directors shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Association. The Association shall have all the power necessary or desirable to effectuate such purposes.

4.3 Board of Directors, Delegation Authority. The affairs of the Association shall be managed by a Board of Directors, which may by resolution delegate authority to a Managing Agent for the Association as may be more fully provided for in the Bylaws, provided no such delegation shall relieve the Board of final responsibility. Declarant recommends that at all times the Association be managed by a professional property manager to provide property management services who is experienced at managing condominium associations of a size and with a budget similar to this Condominium Community. Any decision by the Board of Directors not to hire a

professional property manager to provide management services to the Board of Directors and the Association shall require the approval of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

4.4 Articles and Bylaws. The purposes and powers of the Association and the rights and obligations with respect to Members set forth in this Declaration may and shall be amplified by provisions of the Articles, Bylaws and Rules. Also see Section 14.6 of this Declaration.

4.5 Membership. Members of the Association shall be every Owner of a Condominium Unit subject to this Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Condominium Unit. Ownership of such Condominium Unit shall be the sole qualification for such membership. Where more than one Person holds an interest in any Condominium Unit, all such Persons shall be Members. The membership of the Association at all times shall consist exclusively of all Condominium Unit Owners or, following termination of the Condominium Community, of all Condominium Unit Owners as of the date of termination entitled to distributions of the proceeds under § 38-33.3-218 of the Act, or their heirs, personal representatives, successors or assigns.

4.6 Board of Directors. The initial Board of Directors shall consist of two (2) directors appointed by Declarant. Directors appointed by Declarant do not need to be Owners.

Following turnover of control of the Association by Declarant or the expiration of the Period of Declarant Control, the Board of Directors shall consist of three (3) directors, elected by the Owners, as provided herein and in the Bylaws and subject to the provisions of Sections 4.8 and 4.9 of this Declaration. The directors elected by the Owners shall be Owners. If any Condominium Unit is owned by a partnership, limited liability company, corporation or trust, any officer, partner, manager, member, employee or trustee of that Owner who is a natural person and is designated by that Owner to serve as a director shall be eligible to serve as a director and shall be deemed to be an Owner for the purposes of the preceding sentence. The Board of Directors shall consist of at least three (3) and not more than five (5) directors, the specific number to be specified in the Bylaws, as such may be amended from time to time.

The Board of Directors and the officers of the Association shall have the duty to represent the interests of all the Owners in a fair and just manner on all matters.

4.7 Voting Rights. Each Condominium Unit is allocated one Vote. If a Unit is owned by more than one person, the Vote allocated to the Unit may be exercised by any one of them unless an objection or protest by any other holder of an interest of the Condominium Unit is made prior to the completion of the vote, in which case the Vote for such Condominium Unit shall be exercised as the Persons holding such interest shall determine between themselves. Should the joint Owners of a Condominium Unit be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost.

4.8 Period of Declarant Control. Subject to the provisions of Section 4.9 herein there is a "Period of Declarant Control" during which Declarant may appoint and remove any director or

officer of the Association. The Period of Declarant Control is a length of time commencing with the recording of this Declaration and terminating fifteen (15) years thereafter; provided, however, pursuant to the Act, the Period of Declarant Control in any event will terminate no later than either (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Units That May be Created to owners other than Declarant, (b) two (2) years after the last conveyance of a Condominium Unit by Declarant in the ordinary course of business, or (c) two (2) years after any right to add new Condominium Units to the Declaration was last exercised.

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

4.9 Election by Owners. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units That May Be Created to Owners other than Declarant, the number of directors shall be expanded to three (3) directors and at least one (1) director on the Board of Directors must be elected by Owners other than Declarant. Not later than the termination of the Period of Declarant Control as set forth in Section 4.8 of this Declaration, the Owners shall elect a Board of Directors consisting of three (3) directors as set forth in Section 4.6 of this Declaration. The Owners elected to the Board shall take office upon election. The election of Directors by the Owners is addressed in the Bylaws.

4.10 Delivery of Documents by Declarant. Within sixty (60) days after the Owners other than Declarant elect the members of the Board of Directors as set forth in Section 4.6 of this Declaration, Declarant shall deliver without expense to the Board all property of the Owners and of the Association relating to the Condominium Community held by or controlled by Declarant, including, without limitation, the items required by § 38-33.3-303(9) of the Act.

4.11 Budget:

(a) The Board of Directors shall cause to be prepared, at least sixty (60) days prior to the commencement of each calendar year, a budget for that calendar year. Within thirty (30) days after the adoption of any budget by the Board, the Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the budget to each Owner and shall set a date for a meeting of the Owners to consider the budget not less than ten (10) days and not more than fifty (50) days after delivery of the summary. Unless at that meeting Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated vote to reject the budget, the budget shall be deemed approved by the Owners whether or not a quorum is present. In the event the budget is rejected, the budget last deemed approved by the Owners will be continued until such time as a subsequent budget adopted by the Board of Directors is not rejected by Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

(b) If the Board of Directors deems it necessary or advisable to amend a budget that has been approved by the Owners pursuant to Section 4.11(a) above, the Board may adopt a

proposed amendment to the budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of the meeting shall not be less than ten (10) days, and not more than fifty (50) days, after the delivery of the summary of the proposed amendment. Unless at that meeting Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated vote to reject the amended budget, the amended budget shall be deemed approved by the Owners whether or not a quorum is present.

4.12 Association Agreements. Any agreement for professional management of the Condominium Community or any contract providing for services of Declarant may not exceed one (1) year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty (30) days written notice.

The Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the Period of Declarant Control unless the Association is provided with a right of termination of the contract or lease without cause, that is exercisable without penalty at any time after the Period of Declarant Control terminates upon not more than thirty (30) days notice to the other party thereto.

4.13 Cooperation with Other Associations. The Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with other community associations and/or any special districts, to share costs and/or responsibilities for any maintenance, repair or replacement activities, or other matters or to otherwise cooperate with any other community associations and/or districts in order to provide more consistent or efficient services, reduce costs, or as may otherwise be deemed appropriate or beneficial by the Board of Directors in its discretion from time to time. The costs and expenses for all such matters, if any, shall be shared or apportioned between the Association and any other community associations and/or any special districts, as the Board of Directors may determine in its discretion from time to time.

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

4.15 Certain Rights and Obligations of the Association:

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

The Board of Directors is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interests of such Owners in the Common

Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, and to deal with the Condominium Community upon its destruction, condemnation or obsolescence as hereinafter provided.

Acceptance of any interest in a Condominium Unit shall constitute an appointment of the Board of Directors as attorney-in-fact as provided above and hereinafter. The Board of Directors shall be granted all of the powers necessary to govern, manage, maintain, repair, administer and regulate the Condominium Community and to perform all of the duties required of it.

(b) Contracts, Easements, and Other Agreements. Subject to Section 4.12 above, the Board of Directors shall have the right to enter into, grant, perform, enforce, cancel and vacate: contracts, easements, licenses, leases, agreements, and/or rights-of-way, for the use by Owners, their Guests, and other Persons, concerning the Common Elements. Also see Section 3.1(e) of this Declaration.

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

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

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

4.16 Disclaimer Regarding Security. The Association may, but shall not be obligated to, take measures or maintain or support certain activities within the Condominium Community designed to make the Condominium Community more secure than it otherwise might be. Neither the Association nor Declarant, or any representative or agent of either of them, shall be considered insurers or guarantors of safety or security within the Condominium Community, or be held liable for any loss or damage by reason of failure to provide adequate security or of the ineffectiveness of any such security measures taken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, or that any such systems or security measures undertaken will prevent loss or provide the detection or protection for which the system is designed or intended.

4.17 Maintenance and Reserve Plan. The Board of Directors is responsible for maintenance and reserve planning for the Common Elements including but not limited to the foundations and all exterior walls of the Building, the roofs of the Building, all mechanical systems within or serving the Building that serve more than one Unit and are part of the Common Elements, all driveways, parking areas, landscaping and landscaping features. In this regard the Board of Directors shall adopt, implement and follow a maintenance and reserve program for the Common

Elements and shall review and update the maintenance and reserve program and report on the program to the Members of the Association on an annual basis or more often as may be determined by the Board of Directors. Declarant, its architects, designers, engineers, contractors and other building consultants will not be liable for the consequences of the Association's failure to adopt and follow a maintenance and reserve plan.

4.18 Declarant's Inspection and Monitoring Rights. For a period of fifteen (15) years from the date this Declaration is recorded in the Office of the Clerk and Recorder of Boulder County, Colorado or ten years from the date that the last Unit in the project has been completed, whichever is longer (the "Declarant inspection period"), Declarant and its authorized representatives (which may include architects, designers, engineers, contractors and other building consultants) shall have the right but shall have no obligation whatsoever to make periodic inspections of all of the Common Elements upon reasonable prior written notice to the Board of Directors. These inspection rights include the right of Declarant and its authorized representatives to audit and inspect the Association's maintenance and reserve records to confirm compliance with the maintenance and reserve program adopted by the Board during this Declarant inspection period. Additionally Declarant and its authorized representatives shall have the right to attend and speak at meetings of the Members of the Association and the Board of Directors during this Declarant inspection year period.

ARTICLE FIVE: ASSESSMENTS

5.1 Obligation. Each Owner of a Unit, including Declarant, shall be personally obligated to pay to the Association (a) Common Expense Assessments, (b) Special Assessments, (c) Fines, (d) Individual Assessments and (e) Costs of Enforcement, all of which shall be a continuing lien on the Unit against which each Assessment is levied.

An Owner's obligation to make such payments to the Association is an independent personal covenant of the Owner to pay all amounts due, from time to time, in full when due without notice or demand and without setoff or deduction. All Owners of a Unit shall be jointly and severally liable to the Association for the payment of all Assessments attributable to the Unit. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Elements or abandonment of such Owner's Unit. The omission or failure of the Board of Directors to levy Assessments for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay Assessments.

5.2 Purpose of the Assessments. The Assessments shall be used for the purposes of promoting the welfare and interests of the Owners of the Condominium Community and the Members of the Association. These purposes shall include but are not limited to: (a) the administration and management of the Condominium Community, (b) paying for all utility services provided to the Association for the benefit of all the Units, (c) the providing of common services for the Owners, (d) the upkeep, improvement, repair, maintenance, reconstruction, and insuring of the Common Elements, (e) performing all the other obligations of the Association

under the Project Documents and the Act and (f) any other purpose reasonable, necessary, or incidental to such purposes.

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

5.3 Date of Commencement of the Assessments; Declarant's Right to Offset. The Common Expense Assessments shall commence as to the Units no later than sixty (60) days after the conveyance of the first Unit to an Owner other than Declarant.

Until the commencement of the collection of the Common Expense Assessments, Declarant shall pay all of the expenses incurred and paid for by the Association, and before and after such time may advance operating funds to the Association. Declarant shall be entitled to offset such amounts so paid or advanced as a credit against future Common Expense Assessments payable by Declarant.

5.4 Levy of Assessments and Fines:

(a) Common Expense Assessments. The Common Expense Assessments shall be levied on all Units based on a Budget of the Association's requirements. The Common Expense Assessment Liability shall be allocated among the Units in accordance with the Unit's respective Common Expense Assessment Liability as set forth in Section 1.3 of this Declaration, and shall commence in accordance with Section 5.3 of this Declaration. To the extent that any Common Expenses or a portion thereof serve or benefit fewer than all of the Unit Owners, such expenses will be assessed exclusively against the Units served or benefited as provided in C.R.S. § 38-33.3-315(3)(b) of the Act and as provided in this Declaration.

(b) Individual Assessments. The Board of Directors shall have the right to levy on any Owner or Owners an Individual Assessment in the amounts as provided for by this Declaration, including but not be limited to, charges authorized to be levied under Sections 2.12, 3.8, 6.5, 6.11, 6.17, 7.2, 7.3, 8.1, 9.1 and 9.5 of this Declaration. Individual Assessments may be levied at any time as determined by the Board and are exempt from any voting requirements by the Members as may be required for other Assessments by this Declaration. No Individual Assessment shall be levied, however, until the Owner or Owners to be charged have been given a Notice and Hearing as provided for in the Bylaws.

(c) Fines. The Board of Directors shall have the right to levy a Fine against an Owner or Owners for a violation of the Project Documents in accordance with a schedule of fines adopted by the Board of Directors as part of the Rules. Fines may be levied at any time as required and are exempt from any voting requirements by the Members as may be required for other Assessments by this Declaration. Fines shall not be levied, however, until the Owner or Owners to be charged have been given a Notice and Hearing as provided for in the Bylaws.

(d) Special Assessments. In addition to the other Assessments authorized herein, the Board of Directors, subject to the limitations set forth below, may levy a Special Assessment for the purpose of defraying, in whole or in part, any unexpected expense including but not limited to, the cost of any construction, reconstruction, improvement, repair, or replacement of a capital improvement upon the Common Elements, including fixtures and personal property relating thereto, or for the funding of any operating deficit incurred by the Association, provided that any such Assessment shall have the approval of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, voting in person or by proxy at a meeting duly called for this purpose.

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

(e) Excess Water Usage—Individual Assessment. The costs of water service for domestic purposes for the Units and for irrigation of the Common Elements is part of the Common Expenses of the Association. If, however, a Unit consumes excessive water as compared to the other Units, as determined in the reasonable business judgment of the Board of Directors, then that Unit shall be liable for the cost of the excess water use as an Individual Assessment in accordance with Section 5.4(b) herein. The Board of Directors shall also have the right to install sub-meters on the water service going into each Unit and thereafter determine and levy and charge a water assessment to the Units based on usage as measured by the sub-meters. The installation of sub-meters and the reading of the sub-meters shall be a part of the water assessment expenses of the Association. The sub-meters will be part of the Common Elements and the Association and the Board of Directors shall have easements as provided in Sections 3.5 and 3.8 of this Declaration for the installation, maintenance, repair and replacement and the reading of the sub-meters.

5.5 Due Date. Common Expense Assessments shall be levied on an annual basis and shall be due and payable in monthly installments in advance; provided that the first Assessment levied shall be adjusted to reflect the time remaining in the Association's first fiscal year. Any Owner purchasing a Unit between annual due dates shall pay a prorated share of the annual Common Expense Assessments. Fines and Individual Assessments shall be due and payable as established by the Board of Directors. Special Assessments shall be due and payable as established by the Board of Directors and may be payable on an installment basis as determined by the Board.

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

5.6 Remedies for Nonpayment of Assessments. If any Assessment (including Costs of Enforcement) is not fully paid within fifteen (15) days after the same becomes due and payable, then interest shall accrue at the default rate set by the Board of Directors on any amount of the Assessment in default accruing from the due date until date of payment, and the Board may assess a Late Fee in an amount as determined in accordance with the Rules of the Association. In addition, the Board may:

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

(b) bring an action at law against any Owner personally obligated to pay the Assessment and obtain a judgment for the amounts due;

(c) proceed to foreclose the Association's lien against the Unit pursuant to the power of sale granted to the Association by this Declaration in the manner and form provided by Colorado law for foreclosure of real estate mortgages; and

(d) suspend utility service (supplied or controlled by the Association) to a delinquent Owner's Unit.

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

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

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

(a) liens and encumbrances recorded prior to the recording of this Declaration;

(b) real property ad valorem taxes and special assessment liens duly imposed by Colorado governmental or political subdivision or special taxing districts, or any other liens made superior by statute; and

(c) the lien of any loan evidenced by a first deed of trust or mortgage, including a mortgage and any executory land sales contract wherein the Administrator of VA is seller, whether such contract is owned by the VA or its assigns, and whether such contract is recorded or not, except to the extent the Act grants priority for Assessments to the Association.

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

Sale or transfer of any Unit shall not affect the lien for the Assessments except that sale or transfer of any Unit pursuant to foreclosure of any first deed of trust or mortgage, or any proceeding in lieu thereof, including deed in lieu of foreclosure, shall extinguish the Assessment Lien to the extent provided by Colorado law. A foreclosure sale or deed in lieu of foreclosure of a Unit shall not relieve the Owner of the Unit from continuing personal liability for any Assessment thereafter becoming due or from the lien thereof.

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

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

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

The Association's lien on a Unit for Assessments and Costs of Enforcement shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado and any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Unit subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against the Assessment Lien.

5.8 Assignment of Assessments. The Board of Directors shall have the unrestricted right to assign its right to receive Common Expense Assessments and other future income, either as security for obligations of the Association or otherwise, provided that any such assignment is first approved in writing by the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

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

5.10 Working Capital Fund. At the closing of the initial sale, and each subsequent resale, of a Unit to an Owner other than Declarant, a non-refundable contribution shall be made by such Owner or subsequent Owner to the Working Capital Fund of the Association in an amount equal to two (2) months' Common Expense Assessment then in effect. The contribution shall be collected and transferred to the Association at the time of closing of the sale of each Unit and shall be held by the Association for the use and benefit of the Association, including meeting unforeseen expenditures and purchasing additional equipment or services. Such contribution to the Working Capital Fund shall not relieve an Owner from making regular payments of Assessments as the same become due. Upon the later sale or transfer of his or her Unit, an Owner shall NOT BE ENTITLED to a credit from the Association for the aforesaid contribution.

Declarant is prohibited from using the Working Capital Fund to defray any of its expenses, reserve contributions or construction costs, or to make up any budget deficits during Declarant Control Period.

5.11 Certificate of Assessment Status. The Association shall furnish to an Owner or such Owner's First Mortgagee on written request to the Association's Registered Agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit. The statement shall be furnished within fourteen (14) business days after receipt of the request and is binding on the Association, the Board of Directors, and every Owner. If no statement is furnished to the Owner or First Mortgagee, then the Association shall have no right to assert a priority lien on the Unit for unpaid Assessments that were due as of the date of the request.

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

ARTICLE SIX: RESTRICTIVE COVENANTS AND OBLIGATIONS

6.1 Use and Occupancy of the Condominium Units. Subject to the Declarant Rights reserved or described herein and the exemptions for Declarant set forth in Section 6.16 of this Declaration, no Unit within the Condominium Community shall be used for any purpose other than residential purposes as generally defined and consistent with the City land use regulations provided, however, an Owner may conduct business activities within an Owner's Unit provided that all of the following criteria are satisfied as determined by the Board of Directors in its reasonable business judgment:

- (a) the business conducted is secondary to the residential use of the Unit and is conducted entirely within the Unit;
- (b) the existence or operation of the business is not detectable from outside of the Unit by sight, sound, smell, or otherwise;

- (c) the business does not result in an undue volume of traffic or parking within the Condominium Community;
- (d) the business conforms to all zoning, land use and building code and other legal requirements of the City; and
- (e) the business conforms to any Rules that may be imposed by the Board of Directors from time to time on a uniform basis.

Uses described as “day care” or “child care” facilities (licensed or unlicensed) are allowed only with the prior written permission of the Board of Directors and only if such use meets the above set forth criteria, as determined by the Board of Directors.

6.2 Use of the Common Elements. Each Owner and each Owner’s Guests may use the appurtenant Common Elements in accordance with the purpose for which they are intended, but shall not hinder or encroach on the lawful rights of the other Owners. The Board of Directors may adopt Rules governing the use of the Common Elements and Limited Common Elements, but such Rules shall be uniform and nondiscriminatory. Each Owner and such Owner’s Guests occupying a Unit are bound by any such adopted Rules.

There shall be no obstruction of the Common Elements and nothing shall be stored on any part of the Common Elements without the prior written consent of the Board of Directors. Nothing shall be altered, constructed on, or removed from the Common Elements except as approved by the Board of Directors in accordance with this Declaration and Colorado law.

6.3 No Unlawful Use. No unlawful, immoral, offensive, or improper use shall be permitted or made within the Condominium Community or any part thereof. All valid laws, ordinances, and regulations of all governmental bodies having jurisdiction over the Condominium Community shall be observed.

6.4 Restrictions on Signs and Other Displays. The Board will adopt Rules concerning the regulation and restriction of political signs and displays of flags and other similar items that will conform to the requirements of the Act. All signs must comply with all applicable requirements of the City.

Signs indicating protection by security systems and neighborhood watch programs shall be permitted but may be subject to the Rules of the Association. In addition, the Association may install on the Common Elements at least one sign of reasonable size and dignified form to identify the Condominium Community and the Units therein.

“For Sale” and “For Lease” signs in or on any of the Units or anywhere in or on the Common Elements are allowed only with prior written approval of the Board of Directors which approval shall not unreasonably be withheld and are subject to Rules the Board may impose relating to size, color, style and location.

6.5 Pets Within the Condominium Community. A maximum of two (2) customary household pets (such as dogs, cats, or other typical household pets) may be kept in a Unit so long as they are not raised, bred or maintained for any commercial purpose, do not create a nuisance or danger to any residents of the Condominium Community and are not kept in violation of any local, state or federal laws or any Rules of the Association.

A pet shall not be tied or chained to any deck, balcony or patio within the Condominium Community; any pet tied or chained in this manner may be removed by the Board or its agents. A pet shall not run at large within the Condominium Community and shall at all times be under the control of the pet's owner or caretaker and shall not litter the Common Elements. No pets shall reside in or on the Common Elements. Habitually barking, howling, or yelping dogs shall be deemed a nuisance.

The Board of Directors shall have the right and authority to determine in its sole discretion if a pet is creating a nuisance or danger or that an Owner is otherwise in violation of this Section 6.5 or any Rules governing pets promulgated by the Board. After Notice and Hearing, the Board of Directors shall take any action or actions reasonably necessary to correct the violation, including levying Fines against an Owner in accordance with Section 5.4(c) of this Declaration and permanent removal of the pet from the Condominium Community.

An Owner is responsible for any damage caused by any pet kept by the Owner or at the Owner's Unit and the Owner shall be obligated to clean up after the pet in the Condominium Community. An Owner shall reimburse the Association for damages caused by a pet and the costs incurred by the Association, including attorney fees and costs, in the removal of a pet from the Condominium Community or in cleaning up after the pet. These charges may be levied against the Owner of the Unit where the pet is or was kept as an Individual Assessment in accordance with Section 5.4(b) of this Declaration.

6.6 Property to be Maintained/ Prohibition of Certain Activities. Each Unit, at all times, shall be kept in a clean, neat, healthful and sanitary condition. No litter, junk or other unsightly materials shall be permitted to remain within any Unit or on any portion of the Common Elements or Limited Common Elements and nothing shall be done or maintained thereon that is a nuisance to others in the Condominium Community or that diminishes the value of the Condominium Community as an attractive residential development. Nothing dangerous, hazardous or unhealthy shall be kept or stored on or in the Unit or the Common Elements, including areas that are Limited Common Elements. Nothing shall be placed on or in windows or doors of Condominium Units that creates an unsightly appearance. Nothing shall be done or kept in any Unit or in any part of the Common Elements that would result in the cancellation of the insurance on the Condominium Community or that would result in increasing the rate of insurance for the Condominium Community, without the prior written consent of the Board of Directors. No lights, sound or vibration shall be emitted from any Unit or from any part of the Condominium Community that is unreasonably loud or annoying.

6.7 Vehicular Parking. No vehicle of any kind may be parked or stored anywhere within the Condominium Community except in a Parking Space or a Garage Space. Commercial vehicles shall not be parked or stored anywhere within the Condominium Community unless they are

being actively loaded or unloaded. Vehicle maintenance and car washing are not permitted within the Condominium Community. The Association may adopt reasonable Rules governing the Parking Spaces and Garage Spaces. The regulation of parking by the Association is subject to the requirements of the Act and the Board will adopt Rules to implement any provisions of the Act that restrict the ability of the Association to prohibit the parking of a motor vehicle required for use by an Owner or occupant of a Unit who is a member of a volunteer fire department or is employed by an emergency service provider.

6.8 Use, Maintenance and Repair of Limited Common Elements Such as Patios, Porches, Decks and Entry Ways. The Owner of a Unit with a patio, porch, deck, entry way or similar area that is a Limited Common Element allocated to the Owner's Unit shall be responsible at all times for maintaining such area in a neat and clean condition. Except as may be specifically otherwise provided for herein (such as with regard to Garage Spaces, Private Yards, doors and windows serving only one Unit, Utility Pads and solar panels), the maintenance, repair and replacement of all portions of the Limited Common Elements, including but not limited to all surface finishes, shall be the responsibility of the Association including the painting or staining and repair of the Limited Common Elements, the expense of which shall be allocated to the Units as a Common Expense, subject to Section 5.4(a) of this Declaration. Patios, porches, decks and entry ways shall not be used for storage. A reasonable number of items, such as appropriate outdoor furniture in good repair and appearance, gas barbeque grills, plants, and decorative items, may be kept on patios, decks or porches so long as their use or presence does not obstruct or harm the Common Elements or impair the use of the Common Elements by others, does not create an unsightly appearance or in any way amount to a hazardous activity or nuisance as determined by the reasonable judgment of the Board of Directors. The use of the Limited Common Elements and the items that may be kept on or in the Limited Common Elements are subject to Rules adopted by the Board of Directors (which may include propane tank size limitations for gas barbecues as may be imposed by the Rules).

6.9 Exterior Equipment Prohibition. Except as installed by Declarant in the course of the development of the Condominium Community, no additional exterior equipment or fixtures shall be permitted to be installed anywhere on or in the Common Elements without the prior written consent of the Board of Directors, including, but not limited to the following: air conditioning units, swamp coolers, or other ventilating equipment and any type or kind of wiring, ducts, or pipes.

6.10 Antennas and Satellite Dishes. No conventional television antennas of any kind or satellite dishes, antennas, and similar devices for the transmission or reception of television, radio, satellite, or other signals of any kind shall be permitted or may be installed on the exterior of any Condominium Unit in the Condominium Community or anywhere else on the Common Elements except as have been expressly approved and authorized by the Board of Directors. The installation of a satellite dish should not impair or block the view from other Units or cause damages to the Common Elements. The Board of Directors shall have the right suggest and recommend preferred locations for satellite dishes. To the extent that the installation of any of these devices is governed by and/or subject to the Telecommunications Act of 1996 and the rules and regulations promulgated by the Federal Communications Commission ("FCC") then the Board of Directors shall comply with and adhere to all applicable FCC requirements.

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

6.12 Lease of a Condominium Unit. An Owner shall have the right to lease his or her Condominium Unit on such terms and conditions as the Owner may deem advisable. All leases and all tenants or other occupants of a Unit shall comply with all applicable Governmental Laws, including requirements of the Agencies; this Article 6.12 shall automatically be deemed to be modified to comply with any such requirements.

6.13 Windows. Tinting of exterior windows shall be subject to the prior approval of the Board. No reflective glazing, silver foil, or other similar sun screening material shall be allowed on any exterior windows of a Unit. Each Unit Owner shall be responsible for the maintenance, cleaning, repair and replacement of the windows and glass that are part of that Owner's Unit.

6.14 Enforcement. The Association, acting through its Board of Directors, shall have the power to enforce compliance with all of the covenants and restrictions set forth in this ARTICLE SIX and, in addition to any other action authorized herein, may impose Fines in accordance with Section 5.4(c) of this Declaration and collect Costs of Enforcement for any violation of any of the covenants and obligations herein.

6.15 Waiver. The strict application of the covenants and restrictions set forth in this ARTICLE SIX in any specific case may be modified or waived in whole or in part by the Board of Directors if the strict application would be unreasonable or unduly harsh under the circumstances. Any modification or waiver must be in writing, signed by the President of the Association and the Owner of the Unit requesting the modification or waiver.

6.16 Exemptions for Declarant. For so long as Declarant owns a Unit within the Condominium Community, Declarant shall be exempt from the provisions of this ARTICLE SIX to the extent that it impedes any of the Declarant Rights reserved to Declarant in this Declaration or any of Declarant's marketing, sales or leasing activities.

6.17 Certain Limited Common Elements and Units: Maintenance, Cleaning and Snow Removal. Except for Parking Spaces and except as otherwise expressly provided herein, each Unit Owner shall be to keep the areas allocated as Limited Common Elements to the Owner's Unit, such as patios, decks, porches and entry ways in a clean and neat condition and free from snow and ice at all times. Each Owner shall also be responsible for the cleaning, maintenance, repair and replacement of all windows and doors (including all window and door mechanisms) that are part of their respective Units. In the event an Owner fails to maintain and/or repair his or her Unit as required by this Declaration, the Board of Directors shall have the right to carry out the maintenance and/or repair, and charge the costs of the same to the responsible Owner(s) as an Individual Assessment in accordance with Section 5.4(b) of this Declaration.

The Association shall be responsible for snow removal on the sidewalks, driveways, Parking and Trash Enclosure Area and other Common Elements, but not for snow removal on any patios, decks, porches or entry ways that are part of or allocated as a Limited Common Element to a particular Condominium Unit. See also Sections 6.8 and 6.13 of this Declaration and Exhibit E.

6.18 Quiet Enjoyment. Owners shall not engage in or knowingly permit any lessee, resident, or Guest to engage in, and Owners shall not fail to prevent any lessee, resident, or Guest from engaging in, conduct that is materially and unreasonably disruptive of the quiet enjoyment, health, safety, or welfare of any Person residing in or lawfully present in the Condominium Community. Any such action shall constitute a violation of this Declaration. A violation of this Section 6.18 by a lessee, resident, or Guest shall constitute a breach of the lease or other rental agreement and may be enforced by the Board with or without notice to the Owner of the Unit.

The Board is authorized to enforce this prohibition by an action at law or in equity against a violating Owner, lessee or Guest. The Owner, lessee and/or resident shall be liable for all damages associated with the violation of this prohibition including the Association's reasonable attorney fees and Costs of Enforcement. As determined necessary by the Board of Directors, a copy of these provisions protecting the right to quiet enjoyment shall be posted in a public location within the Condominium Community.

6.19 Sound. Where Condominium Units are built either above or below each other, or side by side, it is normal to experience some transmissions of sound between those Units from music, walking and other movements by people and objects on uncarpeted floors, water traveling in drains, opening and closing of doors, cabinets and cupboards, operation of mechanical systems, elevators and other equipment, sounds transmitted through open windows or doors and similar causes. On occasion these sounds are heard in normal conditions with typical noise levels. Owners should expect some transmission of sound between Units, between the Common Elements and the Units and from surrounding areas outside of the Condominium Community. Although the insulation and other soundproofing or sound dampening materials installed in the Buildings and Units meet or exceed all applicable current City building code requirements, Declarant makes no warranty regarding soundproofing of Units and the transmission of sounds between Units, and between the Units and the Common Elements or from surrounding areas outside of the Condominium Community shall not be considered a construction defect.

ARTICLE SEVEN: INSURANCE

7.1 Association Insurance. In all instances the Association shall, at a minimum, comply with the insurance requirements set forth in the Act. To the extent anything contained in this ARTICLE SEVEN conflicts with the Act, the provisions of the Act shall control. The Association shall maintain the following types of insurance coverage on the Common Elements to the extent reasonably available and at a reasonable cost:

(a) Property Insurance. The Association shall obtain and maintain comprehensive, "special form/open peril" form policy of hazard insurance with extended coverage, vandalism, malicious mischief, windstorm, sprinkler leakage (if applicable), debris removal, and cost of

demolition insuring all the insurable improvements located on the Common Elements that are not part of the Units including one hundred percent (100%) of the current replacement cost of all insurable improvements in the Common Elements and personal property owned by the Association less applicable deductibles at the time the insurance is purchased and at each renewal date. The property insurance policy shall also contain the following endorsements or their equivalent, if applicable and if available at a reasonable cost: No Control Endorsement, Contingent Liability from Operation of Building Laws or Codes Endorsement, Cost of Demolition Endorsement, Increased Cost of Construction Endorsement) Agreed Amount Endorsement, and Inflation Guard Endorsement.

The Units and their contents are to be covered and insured by the Owner's insurance.

The Board of Directors shall, consistent with good business practices and at reasonable intervals, obtain a written appraisal for insurance purposes, showing that the insurance represents one hundred percent (100%) of the current replacement cost for all insurable improvements located on the Common Elements that are not part of the Units, together with any personal property owned by the Association.

(b) Commercial General Liability Insurance. The Association shall obtain and maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements and the Association (including eviction, libel, slander, false arrest and invasion of privacy) insuring the Board, the Association, the Managing Agent, and their respective employees, agents, and all persons acting on their behalf.

The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. Declarant shall be included as an additional insured in Declarant's capacity as an Owner and Board member, as applicable. The insurance shall cover claims of one or more insured parties against other insured parties and shall include coverage for, without limitation, the legal liability of the insureds for property damage, bodily injuries and deaths of persons that result from the operation, maintenance or use of the Common Elements and the legal liability arising out of lawsuits relating to employment contracts in which the Association is a party. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

(c) Fidelity Insurance. The Association may obtain and maintain, to the extent reasonably available, comprehensive fidelity insurance coverage or fidelity bonds for Owners and the Association, including officers or employees who handle or are responsible for funds held or administered by the Association. The insurance shall name the Association as insured, and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

The fidelity insurance policy should cover the maximum funds (including reserve funds) that will be in the custody of the Association or its management agent at any time while the policy is in force; provided however, in any event the aggregate amount of such insurance shall be not less than three (3) months aggregate Assessments on all Units, plus Reserve Funds. The Association may carry fidelity insurance in amounts greater than required above.

In the event the Association has delegated some or all of its responsibility for the handling of funds to a Managing Agent, the Association may require the Managing Agent to purchase, at its own expense, a policy of fidelity insurance or bond that fully complies with the provisions of this subsection.

(d) Worker's Compensation Insurance. If the Association has employees, the Association shall obtain and maintain worker's compensation or similar insurance with respect to its employees in the amount and form as may now or hereafter be required by law.

(e) Special Flood Hazard Insurance. If the area where the Condominium Community is located has been identified by the Secretary of Housing and Urban Development (HUD) or the Director of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area, flood insurance that covers the Common Elements shall be maintained providing coverage equivalent to that provided under the National Flood Insurance Program in an amount of one hundred percent (100%) of the current replacement cost of the improvements on the Common Elements. If the Condominium Community at the time of the recording of this Declaration is not identified as a Special Flood Hazard Area but becomes reclassified at a later date as such, the Board of Directors shall obtain flood insurance that covers the Common Elements in accordance with the above. Conversely, flood insurance may be discontinued if the Condominium Community is reclassified out of the Special Flood Hazard Area.

(f) Officer and Director Liability Insurance. The Association may obtain and maintain directors' and officers' liability insurance for errors and omissions on all directors and officers including non-monetary and monetary claims coverage to be written in an amount that the Board of Directors deems adequate.

(g) Other Insurance. The Association may obtain and maintain any other insurance that the Board of Directors considers appropriate and prudent to protect the Association, the Owners and the Common Elements.

7.2 Insurance Policy Provisions. All policies carried by the Association shall be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and naming each Owner as an insured person under the policies with respect to liability arising out of any Owner's membership in the Association.

The Association shall make available for review a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including a Security Interest holder, upon request. The policies shall also contain waivers of subrogation against Declarant, the Association, the Board, the Managing Agent or the Owners and members of their households, their respective agents, employees and Guests.

All policies shall contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where the Owner is not under the control of the Association. All policies must provide that no assessment may be made against a First Mortgagee, its successors or assigns and that any assessment made against others shall not become a lien on a Unit superior to the lien of a First Mortgagee.

All policies of insurance shall be written by reputable companies duly authorized and licensed to do business in the State of Colorado with an A.M. Best's rating of "B+" or better if reasonably available, or, if not reasonably available, the most nearly equivalent rating.

All insurance policies shall contain a standard mortgagee clause or equivalent endorsement (without contribution) naming the First Mortgagee(s) and their successors and assigns as additional insureds in the policy (but only to the extent a First Mortgagee has a Security Interest in any of the Common Elements insured by the Association).

All policies shall not be canceled, invalidated or suspended due to the conduct of any Owner, their Guests or any Member, officer or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board or the Managing Agent to abate or cure the conduct complained of and the conduct shall not have abated or been cured within forty-five (45) days after the demand is issued.

The policies shall also provide that any "no other insurance" clause expressly excludes individual Owners' policies from its operation so that the property insurance policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors provide for or be brought into contribution with insurance purchased by a individual Owners or their First Mortgagees, unless otherwise required by law.

The insurance described in Sections 7.1 and 7.2 shall be carried naming the Association as the owner and beneficiary thereof for the use and benefit of the Association and provide that all claims are to be settled on a replacement cost basis.

The deductible, if any, on an insurance policy shall be as the Directors determine to be consistent with good business practice and which shall be consistent with the requirements of the First Mortgagees. Any loss falling within the deductible portion of a policy shall be paid by the Association. Funds to cover the deductible amounts should be included in the Association's Reserve Funds and be so designated.

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

7.3 Insurance to be Maintained by Owners. EACH OWNER SHALL PURCHASE AND MAINTAIN IN EFFECT A UNIT OWNER'S POLICY (HO-6 OR ITS EQUIVALENT) FOR ALL OF THE OWNER'S PERSONAL PROPERTY, FURNITURE, FURNISHINGS, EQUIPMENT, AND RELATED ITEMS, LOCATED WITHIN THE OWNER'S UNIT. THE POLICY SHALL ALSO INSURE ANY AND ALL IMPROVEMENTS MADE TO THE UNIT'S INTERIOR FINISHED SURFACES OF ITS PERIMETER WALLS, FLOORS AND CEILINGS BY THE CURRENT OWNER, TENANT OR GUEST, AND SHALL PROVIDE COMPREHENSIVE GENERAL LIABILITY COVERAGE IN THE MINIMUM AMOUNT OF COVERAGE OF NO LESS THAN \$1,000,000.00. EACH OWNER, EXCEPT FOR DECLARANT AND FIRST MORTGAGEES WHO HAVE BECOME OWNERS OF A NON-OWNER-OCCUPIED UNIT, SHALL PURCHASE AND MAINTAIN IN EFFECT A

SUFFICIENT CONDOMINIUM UNIT OWNER'S RENTAL LIABILITY POLICY OR ITS EQUIVALENT WHICH SHALL ALSO INSURE ANY AND ALL IMPROVEMENTS MADE TO THE UNIT'S INTERIOR FINISHED SURFACES OF ITS PERIMETER WALLS, FLOORS AND CEILINGS BY THE CURRENT OWNER. THE ASSOCIATION DOES NOT PROVIDE SUCH COVERAGE IN ITS MASTER POLICIES. EACH UNIT OWNER'S POLICY SHALL INCLUDE COVERAGE TO PAY THE ASSOCIATION'S CONDOMINIUM INSURANCE DEDUCTIBLE AMOUNT IF A CLAIM ARISES WITHIN THE OWNER'S INDIVIDUAL UNIT THAT IS BELOW THE ASSOCIATION'S CONDOMINIUM INSURANCE DEDUCTIBLE AMOUNT.

In addition, an Owner may obtain such other additional insurance coverage on and in relation to the Owner's Unit as the Owner in the Owner's sole discretion shall deem desirable. Insurance obtained by an Owner shall not affect any insurance coverage obtained by the Association or cause the diminution or termination of the Association's insurance coverage or result in apportionment of insurance proceeds as between policies of insurance of the Association and the Owner. An Owner shall be liable to the Association for the amount of any diminution of insurance proceeds to the Association as a result of insurance coverage maintained by the Owner, and the Association shall be entitled to collect the amount of the diminution from the Owner as an Individual Assessment pursuant to Section 5.4(b). Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners.

7.4 General Insurance Requirements. The cost of any insurance obtained by the Association shall be paid by the Owners as part of the Common Expense Assessment Liability pursuant to Section 1.3. The Board of Directors shall review at least annually all of its insurance policies in order to insure that the coverages contained in the policies are sufficient.

The Board of Directors or management company engaged by the Board of Directors shall promptly furnish to each Owner and/or an Owner's First Mortgagee, if requested, written notice of the procurement of, changes in or termination of insurance coverages obtained on behalf of the Association.

The Board of Directors shall not obtain any policy where under the terms of the insurance company's charter, bylaws, or policy: (1) contributions or assessments may be made against the Association, Owners or First Mortgage; (2) loss payments are contingent upon action by the carrier's board of directors, policyholders or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent Owners or First Mortgagees from collecting insurance proceeds.

7.5 Insurance Proceeds. Any loss covered by the policies carried by the Association under this ARTICLE SEVEN shall be adjusted exclusively by the Board of Directors. The insurance proceeds for any 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 First Mortgagees as their interests may appear. Subject to the provisions of Section 7.8 below, the proceeds must be disbursed first for the repair or restoration of the damaged property. The

Association, Owners and First 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. The Association or the insurance trustee shall hold and apply any insurance proceeds to fulfill the Association's obligations and responsibilities to maintain, repair, and reconstruct the Common Elements in accordance with this Declaration. The proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements.

7.6 Claims Policies. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles and any other matters of claims adjustment. To the extent the Association settles claims for damages to the property, it shall have the authority to assess negligent or responsible Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles and any premium increase paid by the Association.

7.7 Insurer's Obligation. An insurer that has issued an insurance policy described in this ARTICLE SEVEN shall issue certificates or memoranda of insurance to the Association and, on 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 refusal to renew has been mailed to the Association by certified mail (return receipt requested) and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses by certified mail (return receipt requested).

7.8 Repair and Replacement with Insurance Proceeds. Any portion of the Common Elements for which insurance is required under this ARTICLE SEVEN that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Condominium Community regime created by this Declaration is terminated;
- (b) Repair or replacement would be illegal under any applicable state or local statute or ordinance governing health or safety;
- (c) The Owners to whom at least sixty-seven percent (67%) of the votes in the Association are allocated agree in writing not to rebuild; or
- (d) Prior to the conveyance of any Unit to a person other than Declarant, a lien holder having a Security Interest 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 in excess of insurance proceeds and reserves is a Common Expense. All insurance proceeds attributable to the damaged Common Elements will be used to restore the damaged areas to a condition compatible with the remainder of the Condominium Community. If additional insurance proceeds are available, the insurance proceeds will be distributed to all the Owners or Eligible Mortgagees in proportion to their respective ownership interests in the Common Elements.

ARTICLE EIGHT: REPAIR AND RECONSTRUCTION UPON DAMAGE OR DESTRUCTION AND CONDEMNATION

8.1 Duty to Repair and Reconstruct. Any portion of the Common Elements that is covered by insurance carried by the Association that is damaged or destroyed must be repaired or reconstructed promptly by the Board of Directors, subject to the provisions of § 38-33.3-313 of the Act and this Declaration. The Board of Directors shall represent the Owners as their attorney-in-fact in all proceedings, negotiations and agreements with the insurance companies for the settlement of any insurance claim for any part of the damaged Common Elements. If the insurance proceeds with respect to the damage or destruction are insufficient to repair and reconstruct the damage, the Board of Directors shall levy an Individual Assessment or Special Assessment in the aggregate amount of such insufficiency pursuant to Sections 5.4(b) and 5.4(d) herein, and shall proceed to make such repairs or reconstruction. The amount of each Owner's Individual Assessment shall be based on an Owner's Common Expense Assessment Liability determined in accordance with Section 1.3 herein.

8.2 Plans. The Common Elements shall be repaired and restored in accordance with the original plans and specifications or other plans and specifications that have been approved by the Board of Directors.

8.3 Condemnation. The Board of Directors shall represent the Owners as their attorney-in-fact in any negotiations, settlements and/or agreements with condemning authorities for the condemnation of any part of the Common Elements or Limited Common Elements. All compensation, damage, or other proceeds therefrom (Condemnation Award) shall be payable to the Association to be held in trust for the use and benefit of the Owners and holders of their Security Interests as their interests may appear. No Owner of a Unit or any other party shall be entitled to priority over a First Mortgagee of a Unit with respect to any distribution of the Condemnation Award for that Unit.

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

ARTICLE NINE: MAINTENANCE, REPAIR, AND RECONSTRUCTION

9.1 By the Association. The Association shall provide for the repair, maintenance, and/or reconstruction of all of the Common Elements and Limited Common Elements (except as expressly provided otherwise in this Declaration included but not limited to in Sections 2.16, 3.14, 6.8, 6.13, 6.17 and 9.2 and Exhibit E). The Association shall keep the same in an attractive, clean and functional condition and in good repair and may make alterations, improvements, and replacements as necessary or desirable. The maintenance obligation on the part of the Association shall apply to the maintenance required by ordinary wear and tear and

shall not apply to maintenance, repair, and/or reconstruction resulting from the act, omission, neglect or destruction by an Owner or their Guests.

Access by the Board of Directors, its agents, and employees to all of the Units within the Condominium Community to perform the repair, maintenance and/or reconstruction shall be made pursuant to the maintenance easement granted in accordance with Section 3.8 hereof. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality, but may be done with then currently available building materials and equipment.

In the event the need for any repairs, maintenance, and/or reconstruction to the Common Elements by the Association are caused by the act, neglect, omission or destruction by an Owner or an Owner's Guests, the Board of Directors shall have the right to charge the costs of the repair, maintenance, and/or replacement to the Owner by an Individual Assessment in accordance with Section 5.4(b) herein. The determination of whether or not any repairs, maintenance, and/or reconstruction resulted from the act, neglect, omission, or destruction by an Owner or an Owner's Guest shall be made by the Board of Directors and shall be final. The determination of: (a) whether repairs, maintenance, and/or reconstruction is the obligation of the Association; (b) the magnitude, the manner, and the timing of the repairs, maintenance, and/or reconstruction; and (c) the kind and type of materials used in the repairs, maintenance, and/or reconstruction, shall be made by the Board of Directors and shall be final.

9.2 By the Owner. An Owner shall keep the interior of the Owner's Unit and its equipment, appliances and appurtenances located in the Unit in good working order and in a clean and neat condition, and shall do all interior redecorating and interior painting that may at any time be necessary to maintain the good appearance and condition of the Owner's Unit. All fixtures, equipment and utilities installed and included in a Unit serving only that Unit, commencing at a point where the fixtures, equipment and utilities enter the Unit, shall be maintained and kept in good working order by the Owner of that Unit. Each Owner shall also maintain and keep in a clean and neat condition and in good repair all patios, entry ways, windows and other glass items related to such Owner's Unit and any entry door or doors serving the Unit. The Owner of any Unit to which a Limited Common Element is appurtenant shall keep that Limited Common Element in a clean and neat condition. Any change or upgrade to a Limited Common Element from that of the original construction made by an Owner shall be repaired, maintained, or reconstructed at that Owner's sole expense and responsibility unless the Board of Directors assumes in writing the duty to repair, maintain, or reconstruct.

In addition, an Owner shall be responsible for all damage to any other Units or to the Common Elements and Limited Common Elements resulting from the Owner's negligence or failure to make any of the repairs required by ARTICLE SIX, this Section 9.2 and the attached Exhibit E. Each Owner shall perform his or her responsibility in a manner that will not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors any defect or need for repairs for which the Association is responsible.

9.3 Trash Collection. The Association shall arrange for trash collection service for the Condominium Community which shall be paid for as part of the Common Expense Assessments.

9.4 Improvements and Replacements by the Unit Owners (Design Review). No Owner shall make any structural addition, alteration, or improvement to his or her Unit, paint or alter the exterior of his or her Unit, including the doors, windows and light fixtures, or paint or alter the exterior of the Building, or change the drainage pattern around the Building from that established by Declarant without the prior written consent of the Board of Directors in accordance with this ARTICLE NINE. No Owner shall undertake any work in his or her Unit that would jeopardize or interfere with the soundness, safety, or operation of the Unit or any other Unit, the Building in which the Unit is located, or the Common Elements.

The Board of Directors shall be obligated to answer any written request by an Owner for approval of a proposed addition, alteration or improvement within thirty (30) days from the date of the next regularly scheduled meeting of the Board of Directors after receipt of the request. Failure to do so within the stipulated time shall constitute approval by the Board of Directors of the proposed improvement. The Board of Directors will promulgate Rules as required by the Act regarding design review and to implement the provisions of this Section, which Rules may provide for the payment of a fee to accompany each request for approval hereunder. The Board of Directors may adopt and amend from time to time Design Guidelines as part of the Rules of the Association. The Design Guidelines may address, among other things, procedures for applying and obtaining review of proposed improvements, appropriate colors and materials, landscaping, fence and maintenance requirements for the Private Yards and requirements for the installation of solar panels on the roofs of the Building(s). The Design Guidelines also may provide for the appointment of a design review committee appointed by the Board of Directors that will consist of at least two directors and such other persons, including Owners, who the Board of Directors may decide to appoint to the committee.

The Owner applying for approval hereunder shall be responsible to apply for and obtain all permits and approvals required by the City.

9.5 Maintenance of Approved Exterior Modifications. In the event an Owner constructs an approved exterior modification to a Unit, the expense of repair, maintenance, and reconstruction of the exterior modification shall be the responsibility of the Owner unless responsibility is specifically assumed in writing by the Association. As part of the design review process, an agreement shall be entered into between the Owner and the Association to reflect this responsibility that shall be recorded in the Office of the Clerk and Recorder of Boulder County, Colorado.

In the event the exterior modification is not properly repaired, maintained or reconstructed by the Owner of the Unit, the Association, after Notice and Hearing, shall have the right to perform the work that is reasonably required to restore the exterior modification to a condition of good order and repair and charge the cost thereof to the Owner as an Individual Assessment in accordance with Section 5.4(b) of this Declaration.

9.6 Private Yards. Declarant may designate on the Map and allocate to certain Units Private Yard areas. In the event of such designation and allocation by Declarant then the Private Yard will be allocated to the Unit as a Limited Common Element. The Owner of the Unit to which a

Private Yard is allocated shall be responsible to maintain the Private Yard in a neat and clean and good condition. The Association shall have the right to adopt Rules governing the Private Yard areas including but not limited to the maintenance and upkeep and appearance of the Private Yard areas. The Owner of the Unit to which a Private Yard is allocated will have the right to fence and landscape the Private Yard area subject to any Rules that may be adopted by the Association governing fences.

ARTICLE TEN: DECLARANT RIGHTS

10.1 Reservation. Declarant reserves the following Declarant Rights (“Declarant Rights”) that may be exercised, where applicable, anywhere within the Condominium Community:

(a) To complete the improvements contemplated including all Units That May Be Created, or such greater number of Units as may be approved by the City pursuant to Declarant’s the development plan for the Condominium Community and all associated improvements in the Project;

(b) To exercise any Declarant Rights reserved herein;

(c) To use and to permit others to use easements through the Condominium Community as may be reasonably necessary for construction within the Condominium Community and for the purpose of discharging the Declarant’s obligations under the Act and this Declaration;

(d) To submit and incorporate Units into the Condominium Community and to enlarge the Condominium Community in phases from time to time, without the prior approval of any Owner or Eligible Mortgagee, by adding Units to the Condominium Community located on any portion of the real property described in Exhibit B of this Declaration;

(e) To amend and supplement the Declaration or the Map in connection with the exercise of any Declarant Rights or as set forth in ARTICLE FIFTEEN hereof and elsewhere in this Declaration;

(f) To conduct marketing and sales activities for the sales of Units in the Condominium Community;

(g) To appoint or remove any officer of the Association or a member of the Board of Directors during the Period of Declarant Control subject to the provisions of Sections 4.6, 4.8 and 4.9 of this Declaration; and

(h) To exercise any other Declarant Right created by any other provisions of this Declaration or the Act.

10.2 Rights Transferable. Declarant Rights created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the Declarant

Rights transferred and recorded in the Office of the Clerk and Recorder of Boulder County, Colorado. The instrument shall be executed by Declarant as the transferor and by the transferee.

10.3 Limitations. The Declarant Rights shall terminate at the option of Declarant by its written notice to the Secretary of the Association, but in any event the Declarant Rights shall terminate fifteen (15) years after the date of the recording of this Declaration. The Declarant Rights to expand the Condominium Community may be exercised in phases on the real property described on Exhibit B of this Declaration. In the event that the process of entitlement for Declarant to apply for and obtain building permits is placed on “hold” or delayed for reasons beyond the control of Declarant (e.g., limitations on numbers of building permits, moratorium, growth control regulations, etc.), the termination date for the Declarant Rights set forth herein shall be extended for the period of time the impediment to entitlement is in effect.

10.4 Interference with the Declarant Rights. The Association, the Board of Directors or any Owner may not take any action or adopt any amendment to this Declaration, the Articles, Bylaws or any Rule of the Association that will interfere with, impede or diminish in any manner any Declarant Rights without the prior written consent of Declarant.

10.5 Use by Declarant. The exercise of the Declarant Rights by Declarant shall not unreasonably interfere with the access to or use of any Unit by any Owner or the access to or use of the Common Elements or Limited Common Elements.

10.6 Models, Sales Offices and Management Offices. Subject to the limitations set forth in Section 10.3 of this Declaration, Declarant, its duly authorized agents, representatives and employees may maintain any Units owned by Declarant as a “Model,” and may maintain storage areas, construction yards, nursery areas and the storage of landscaping materials, sales, leasing or management offices, including sales trailers, within the Condominium Community.

10.7 Declarant’s Easements. Declarant reserves an easement for ingress and egress in, on, under, and across the Condominium Community (including all Units, Common Elements and Limited Common Elements) to perform warranty work, and repairs, construction work, utility, and drainage work and to store materials in secure areas, to build temporary walls and other facilities and structures and to make any use of the Units, Common Elements and Limited Common Elements as are reasonably necessary or incident to any construction. These reserved easements shall also include the right to control and have unrestricted access to all of Declarant’s work and repairs until completion, sale and conveyance of all Units That May be Created and Common Elements. All construction, warranty and any related work may be performed by Declarant without the consent or approval of the Board of Directors.

Declarant has an easement on, over and across the Condominium Community (including all Units and Common Elements and Limited Common Elements therein) as may be reasonably necessary for the purpose of discharging the Declarant’s obligations or exercising the Declarant Rights, whether arising under the Act or reserved in this Article or elsewhere in this Declaration.

10.8 Signs and Advertising. Declarant reserves the right to post signs and displays on the Common Elements in order to promote sales of Units.

10.9 Other Reserved Rights. The rights reserved in this ARTICLE TEN are in addition to all other rights reserved by or granted to Declarant in this Declaration or by the Act.

10.10 Exercise of Declarant Rights. The exercise of any or all of the Declarant Rights shall be at the sole option and discretion of Declarant. Except as set forth herein, no other assurances are made with regard to the reserved development rights. If any Declarant Rights are exercised in any portion of the real estate subject to development rights, Declarant shall have no obligation to exercise any Declarant Rights in all or any portion of the remainder of that real estate.

Upon the exercise of any of the Declarant Rights reserved herein, Declarant, if required by the Act, shall comply with § 38-33.3-209 and § 38-33.3-210(1) of the Act pertaining to preparing, executing, and recording amendments or supplements to the Declaration and the Map. Accordingly, Declarant shall have the unrestricted right to amend and supplement the Declaration and the Map and file amendments to the Declaration or the Map or supplemental declarations or maps in order to exercise the Declarant Rights. Notwithstanding anything in this Declaration to the contrary, no consent or agreement of or notice to Owners or any Eligible Mortgagee shall be required in order to allow Declarant to exercise any of the Declarant Rights, provided such exercise otherwise complies with the applicable provisions of this Declaration.

10.11 Declarant's Personal Property. Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Common Elements that have not been represented as property of the Association. Declarant reserves the right to remove from the Condominium Community any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures, upon completion of the development and sales of all Units That May Be Created.

10.12 Designated Area of Expansion. The "Designated Area of Expansion" ("D.A.E.") as may be shown on the Map and as the Map may be supplemented from time to time is not a part of the Condominium Community unless and until Declarant specifically annexes a portion of the D.A.E. into the Condominium Community by the filing of a Supplemental Condominium Map and a Supplemental Condominium Declaration. Pursuant to this Declaration, Declarant has reserved certain Declarant Rights to annex additional property in the area of the D.A.E. as shown on the Map and as described on attached Exhibit B into the Condominium Community in phases in accordance with the terms of this Declaration.

10.13 Declarant's Right to Repair. For a period of ten years from the date that Declarant has completed and added into the Condominium Community the last of the Units That May Be Created, Declarant shall have the right, but not the obligation, to make repairs to the Common Elements or the Units as is provided in this Section 10.13. Except in the case of emergency where imminent harm is threatened to persons or property, prior to making any repairs to any portions of the Common Elements or the Units that are allegedly caused by or in any way attributable to an alleged defect in design, construction or materials, the Association shall provide reasonable notice to Declarant of the repairs to be made and the reasons for the repair (the "Repair Notice"). Upon receipt of the Repair Notice, Declarant shall have the right to have

the repair work performed by the original contractor or subcontractor or by other persons selected and authorized by Declarant. In the event Declarant elects to perform such repairs, Declarant shall be responsible for paying for the cost of the repairs. In the event Declarant does not commence the repair work within sixty days for the receipt of the Repair Notice from the Association, then the Association may proceed to perform the repairs described in the Repair Notice.

ARTICLE ELEVEN: FIRST MORTGAGEE PROVISIONS

The following provisions are for the benefit of Eligible Mortgagees as defined by Section 1.25 of this Declaration. To the extent applicable, necessary or proper, the provisions of this ARTICLE ELEVEN apply to this Declaration and the Articles and Bylaws of the Association.

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

(a) any material condemnation loss or any casualty loss affecting a material portion of the Condominium Community or any Unit encumbered by a first mortgage held, insured, or guaranteed by the Eligible Mortgagee;

(b) any sixty (60) day delinquency in the payment of Assessments or charges owed by an Owner of any Unit encumbered by a Security Interest held by an Eligible Mortgagee;

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

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

(e) any material judgment rendered against the Association.

11.2 Amendment to Documents/Special Approvals:

(a) The consent of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the consent of fifty-one percent (51%) of the Eligible Mortgagees shall be required to materially amend provisions of this Declaration, the Articles or Bylaws. The following actions would be considered material:

(i) changing voting rights;

(ii) increasing the Common Expense Assessment by more than twenty-five percent (25%) over the previously levied Common Expense Assessment or any amendments that limit or negatively impact the scope or enforceability or the priority of the Assessment Liens;

- (iii) reducing the reserves for maintenance, repair and replacement of the Common Elements (except when such reserves are expended for such maintenance, repair and replacement purposes);
- (iv) changing responsibility for maintenance and repairs;
- (v) redefinition of any Unit boundaries, except as provided in Section 2.6;
- (vi) the conversion of Units into Common Elements or Common Elements into Units;
- (vii) changing hazard or fidelity insurance requirements;
- (viii) expanding the restrictions on the leasing of Units;
- (ix) restricting an Unit Owner's right to sell or transfer the Owner's Unit;
- (x) restoration or repair of the Condominium Community (after damage or partial condemnation) in a manner other than that specified in the Project Documents;
- (xi) changing any provision that expressly benefits mortgage holders, insurers or guarantors; or
- (xii) the reallocation of interests in the Common Elements or Limited Common Elements or rights to their use; or the expansion or contraction of the Condominium Community; or the addition, annexation or withdrawal of property to or from the Condominium Community.

(b) The Association may not take any of the following actions without the consent of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the consent of at least fifty-one percent (51%) of the Eligible Mortgagees:

- (i) reconstruct or repair the Condominium Community after damage due to an insurable hazard or a partial condemnation in a manner other than specified in the Project Documents;
- (ii) merge or consolidate the Condominium Community with any other Condominium Community. Such action shall also require the written approval from the HUD/FHA and/or the VA if the Condominium Community has been or may be approved by these agencies;
- (iii) not repair or reconstruct, in the event of substantial destruction, any part of the Common Elements; or

- (iv) alter any partition or create any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), EXCEPT THAT only the Owners of Units affected and Eligible Mortgagees of those Units need approve this action.

(c) Any action to terminate the legal status of the Condominium Community after substantial destruction or condemnation occurs must be approved by Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and at least sixty-seven percent (67%) of the Eligible Mortgagees.

(d) Any action to terminate the legal status of the Condominium Community for reasons other than substantial destruction or condemnation must be approved by Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and at least sixty-seven percent (67%) of the Eligible Mortgagees.

11.3 Implied Approval. An Eligible Mortgagee shall be deemed to have given its approval if the Eligible Mortgagee does not submit a negative response to any written request for approval or consent as required by the Project Documents within sixty (60) days after the Eligible Mortgagee receives proper notice of the proposal. Proper notice is provided if a dated, written notice and a copy of the proposed amendment is (a) sent by certified mail, return receipt requested, to the Eligible Mortgagee's most recent address as shown on the recorded deed of trust or recorded assignment thereof and (b) the dated notice, together with information on how to obtain a copy of the proposed amendment, is printed in full at least twice, on separate occasions at least one week apart, in a newspaper of general circulation in Boulder County.

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

ARTICLE TWELVE: MANDATORY DISPUTE RESOLUTION

The provisions of ARTICLE TWELVE are not intended to waive or alter the applicability of C.R.S. § 13-20-801 *et seq.*, to any action brought by Owners or by the Association, as the term "action" is defined by C.R.S. § 13-20-802.5(1). It is intended that Owners and the Association fully comply with all applicable provisions of both ARTICLE TWELVE and C.R.S. § 13-20-801 *et seq.*

12.1 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.

12.2 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 (each of the foregoing being referred to as a “Party”), agree to encourage the amicable resolution of disputes involving the Condominium Community and all of its improvements without the emotional and financial costs of litigation. Accordingly, each Party covenants and agrees to submit all Claims each alleges to have to the procedures set forth in this ARTICLE TWELVE and not to a court of law.

12.3 Claims. Except as specifically excluded in Section 12.4, all claims, disputes and other controversies arising out of or in any way relating to:

- (a) any agreement or contract for sale and purchase of a Condominium Unit between Declarant and any Owner;
- (b) the Property (as defined in any such agreement or contract or in this Declaration) or the Unit or any portion of the Common Elements;
- (c) the purchase of the Property or the Unit;
- (d) the interpretation, application or enforcement of this Declaration, including but not limited to the rights, obligations and duties of any Party under this Declaration;
- (e) the soils of any property that lies within the Condominium Community;
- (f) land development, design and/or construction of the improvements within the Condominium Community and/or any alleged defect therein; and
- (g) any warranty agreement between Declarant and any Owner and/or the Association,

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

12.4 Claims Not Subject to ARTICLE TWELVE. Unless Declarant and the Owners of Units to which at least sixty-seven percent (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 TWELVE:

- (a) any suit by the Association against any Party to collect Assessments or otherwise to enforce the provisions of ARTICLE FIVE;
- (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 SIX;

(c) any suit by an Owner to challenge the actions of Declarant, the Association, or any committee of the Board of Directors with respect to the enactment and application of Rules adopted by the Declarant or the Board of Directors; and

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

12.5 Notice of Claim: Any Party alleging a Claim (“Claimant”) against any other Party (“Respondent”) shall submit all of its Claims by written notification delivered to each Respondent, stating plainly and concisely:

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

(b) a detailed description of the basis of the Claim; and

(c) an itemization of the specific damages, relief and/or proposed remedy sought.

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

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

The Association shall have the same right to inspect for any Claims by an 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 affected party including, without limitation, using its best efforts to avoid causing any damage to, or interference with, any improvements on the property being inspected (“Claim Property”);

(b) minimize any disruption or inconvenience to any Person who occupies the Property;

(c) remove daily all debris caused by the inspection and located on the Claim 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 Claim Property and repair and replace all damage, and restore the Claim Property to the condition of the Claim Property as of the date of the inspection, unless the Claim Property is to be immediately repaired.

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

The Inspecting Party shall not permit any claim, lien or other encumbrance arising from the exercise of its right to inspect to accrue against or attach to the Claim Property. The Inspecting Party shall indemnify, defend and hold harmless the affected Owners and their tenants, Guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorney's fees, resulting from any breach of this Section 12.7 by the Inspecting Party.

12.8 Good Faith Negotiations/Right to Be Heard. 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 to assist such Party in negotiations and to attend meetings.

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

12.9 Mediation:

(a) If the Parties do not resolve the Claim through negotiations within thirty (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 thirty (30) additional days to submit the Claim to mediation under the auspices of an independent mediation service acceptable to all Parties. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and all Respondent(s) shall be released and discharged from any and all liability to Claimant on account of such Claim.

(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 thirty (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 ten (10) days after issuance of a Termination of Mediation, the Claimant shall make a final written Settlement Demand to the Respondent(s), and the Respondent(s) shall make a final written Settlement Offer to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Claim shall constitute the Settlement Demand. If the Respondent(s) fail to make a Settlement Offer, Respondent(s) shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(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 TWELVE, such agreement shall be enforceable in any court of competent jurisdiction in Boulder County, Colorado. If 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 TWELVE. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party all costs incurred in enforcing such agreement, including, without limitation, attorney's fees and court costs.

12.10 Arbitration:

(a) If the Parties do not reach a settlement of the Claim and reduce the same to writing within fifteen (15) days after issuance of any Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to binding arbitration in accordance with the Arbitration Procedures contained herein 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) If the Claim(s) are not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claims shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of such Claims.

(d) The arbitration shall be conducted in accordance with the procedures set forth in Exhibit F attached hereto. The award rendered by the Arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in Boulder County, Colorado in accordance with applicable law and judgment may be obtained thereon, and execution may issue. The Party

seeking enforcement shall be entitled to all reasonable attorney's fees and costs incurred in the enforcement of the award.

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

12.11 Consensus for Association Action. The Association shall not commence any action, mediation or arbitration against Declarant for a Claim unless at least a majority of the Board of Directors and the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated consent to the commencement of proceedings. The Association may seek such consent from the Owners, however, only after it delivers notice or ballots to all Members of the Association in accordance with the procedures set forth in the Bylaws with respect to meetings of Members. The delivery of the notices or ballots shall also include written materials that provide:

- (a) A description of the Claim;
- (b) A copy of Declarant's 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 seeks to assert against Declarant;
- (d) A statement that any recovery from the action may not result in receipt of sufficient or any funds to pay all costs of remedying the Claim as estimated by experts retained by the Association;
- (e) An estimate of the cost to the Association in prosecuting the cause of action; and
- (f) A description of the agreement with the attorneys whom the Board of Directors proposes to retain to prosecute the cause of action.

12.12 Liability for Failure to Maintain an Action Against Declarant. 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 against Declarant 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.

12.13 Binding Effect. This ARTICLE TWELVE 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 Boulder County, Colorado to the fullest extent permitted under the laws of the State of Colorado.

12.14 Utilization of Funds Resulting from the Claim. In the event the Association receives funds as a result of any settlement, mediation, arbitration or judgment based on the Claim, after

payment of fees and costs incurred in connection with prosecution of the Claim, 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 that were the subject of the Claim or otherwise for purposes of remedying the Claim.

12.15 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. Should any Party (“Commencing Party”) commence litigation or any other action against any other Party, in violation of the terms of this Article, such Commencing Party shall reimburse the costs and expenses, including reasonable attorney’s fees, incurred by the other Party seeking dismissal of such litigation or action.

12.16 Amendment. This ARTICLE TWELVE and Exhibit F shall not be amended unless such amendment is approved by Declarant and a majority of the Board of Directors and by the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. This ARTICLE TWELVE is designed to protect Declarant.

ARTICLE THIRTEEN: DURATION, AMENDMENT AND TERMINATION OF THE DECLARATION

13.1 Duration. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land in perpetuity until this Declaration is terminated in accordance with Section 11.2(c) and (d) hereof.

13.2 Amendments by Owners. Except as restricted by the Act and by Sections 11.2 and 13.5 hereof, the Owners shall have the right to amend the Declaration, the Map and the Articles, by the written approval of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Amendments may be made by the Board of Directors pursuant to Sections 1.35 and 8.3 and by Declarant pursuant to ARTICLE TEN and Section 13.3 and as may be provided in the Act. For a period of ten years from the date the last of the Units That May Be Created has been added into the Condominium Community, the Association shall notify Declarant of any and all amendments proposed to be made to this Declaration at least thirty days prior to the time any such amendment is to be voted on by the Owners.

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

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

in the Office of the Clerk and Recorder of the County of Boulder, Colorado. Signatures of Owners on the amendment or written consent need not be notarized.

Amendments may be executed in counterparts, provided that the recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are part of the whole. All signatures on any amendment or written consent shall be irrevocable even upon the death of an Owner or the conveyance of the Unit, except that if an amendment is not recorded within three (3) years of the date of signature, then the executing Owner or their successor or assigns may revoke their signature by a written and notarized document delivered to the Secretary of the Association any time thereafter unless the amendment has been recorded.

No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Association's Declaration, Articles or Bylaws unless it is commenced within one (1) year from the date of the recording of the amendment, except where fraud or willful misconduct is asserted and proven.

13.3 Amendments by Declarant. Declarant reserves the right to amend, without the consent of Owners or First Mortgagees or Eligible Mortgagees, this Declaration, the Map, the Articles and the Bylaws, any time prior to the date of termination of the Declarant Rights set forth in Section 10.3 of this Declaration, as follows:

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

The amendments made by Declarant pursuant to this Section of the Declaration will not impair the lien of a First Mortgagee or any warranties made to any First Mortgagee prior to the amendment.

13.4 Consent of Eligible Mortgagees Required. Certain amendments to this Declaration or other Project Documents may be subject to the consent requirements of Eligible Mortgagees as more fully set forth in ARTICLE ELEVEN hereof.

13.5 Consent of Declarant Required. As long as Declarant has any rights or obligations under or pursuant to this Declaration or any of the other Project Documents, any proposed amendment of any provision of this Declaration shall require Declarant's written consent to the amendment. Any amendment made without Declarant's written consent as required herein shall be null and void and shall have no effect.

13.6 Termination. The Condominium Community may be terminated only in accordance with Sections 11.2(c) and (d) hereof and in accordance with the requirements of the Act. In the event of termination, the proceeds of any sale of real estate together with the assets of the Association

shall be held by the Board of Directors as trustee for Owners and holders of Security Interests upon the Units as their interests may appear as more fully set forth in § 38-33.3-218 of the Act.

ARTICLE FOURTEEN: GENERAL PROVISIONS

14.1 Right of Action. Subject to the provisions of ARTICLE TWELVE, the Association and any aggrieved Owner shall have an appropriate right of action against Owners for failure to comply with the Declaration, the Bylaws, the Articles and the Rules or with decisions of the Board of Directors of the Association that are made pursuant thereto. The Owners shall have a similar right of action against the Association, subject to ARTICLE TWELVE, as it may be applicable.

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

14.3 Severability. If any part of any provision of this Declaration shall be invalid or unenforceable under applicable law, the part shall be ineffective to the extent such invalidity or unenforceability only, without in any way affecting the remaining parts of the provision or the remaining provisions of this Declaration.

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

14.5 Registration by Owner of Mailing Address. Each Owner shall register his or her mailing address with the Association, and except for monthly statements and other routine notices and information provided by the Association to Owners, which may be personally delivered or sent by regular mail or electronic mail, all other notices or demands intended to be served upon an Owner shall be delivered personally or sent by either registered or certified mail, postage prepaid, addressed to the name of the Owner at such registered mailing address. An Owner will provide the Association with the Owner's electronic mail address if the Owner has one.

All demands or other notices intended to be served on the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to the Registered Agent for the Association on file in the Office of the Colorado Secretary of State.

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

14.7 Certificate of Completion. The Certificate of Completion required by § 38-33.3-201(2) of the Act will be found on the Map.

14.8 Captions. The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provision of this Declaration.

14.9 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, plural the singular, and the use of any gender shall include all genders.

14.10 Exhibits. Exhibits A, B, C, D, E and F are attached to this Declaration and by this reference are hereby incorporated into this Declaration.

ARTICLE FIFTEEN: CREATION OF ADDITIONAL UNITS BY DECLARANT

15.1 Reservation of Right to Incorporate Units and Expand the Number of Units in the Condominium Community. Declarant reserves the right (without in any way being bound) to incorporate Units into the Condominium Community and to add Units to and to enlarge the Condominium Community in phases, without the necessity of the consent thereto or the joinder therein by the Owners or First Mortgagees. Declarant can accomplish this by preparing, executing and recording a Supplemental Declaration and Supplemental Map submitting additional Units to the Condominium Community. The expansion may be accomplished in stages or phases by multiple, successive supplements or in one supplemental expansion. The area of expansion is depicted and labeled on the Map as the “Designated Area of Expansion” or “DAE”

If the Condominium Community has been or may be approved by the HUD/FHA and/or the VA, any such expansion should be according to a development plan that has been filed with and approved by the HUD/FHA or the VA and such expansion should be supported by the written consent of the HUD/FHA or the VA, evidence of which may be recorded.

15.2 Supplemental Declarations. The incorporation or annexation of additional Units into the Condominium Community will be accomplished by the filing of record by Declarant in the Office of the Clerk and Recorder of Boulder County, Colorado, a Supplemental Declaration and Supplemental Map containing a legal description of the real property on which the additional Units are located. The Supplemental Declaration and Supplemental Map shall specify the Allocated Interests computed and determined in accordance with Section 1.3 of this Declaration that are associated with the Units incorporated into the Condominium Community.

All future Improvements will be consistent with the initial Improvements in quality of construction.

15.3 Expansion of Definitions. In the event of expansion, the definitions used in this Declaration shall be expanded. For example, “Unit” shall mean the Units as described and defined herein plus any additional Units added by any Supplemental Declaration and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Units shall be effective to transfer rights in the Condominium Community as expanded without additional references to any Supplemental Declaration or Supplemental Map.

15.4 Declaration Operative on New Properties. The Units submitted and added to the Condominium Community shall be subject to all the terms and conditions of this Declaration as amended or supplemented.

15.5 Interests on Enlargement. An Owner at the time of the Owner's purchase of a Unit that is submitted to and incorporated into the Condominium Community by a Supplemental Declaration shall be a Member of the Association. The Owner shall be entitled to the same non-exclusive use of the Common Elements and the same voting privileges as the Owners of Units previously submitted to and incorporated into the Condominium Community through the Declaration or any prior Supplemental Declarations and shall be subject to Assessments as provided herein. The Assessments for each phase submitted to and incorporated into the Condominium Community shall commence for all Owners within that Phase including Declarant upon the recording of the Supplemental Declaration and Supplemental Map for that phase.

Whenever any additional property is brought into the Condominium Community, the Allocated Interest and Common Expense Assessment Liability of each Owner in the Condominium Community after such addition will change and will be reallocated by the Declarant in accordance with Section 1.3 of this Declaration. The Supplemental Declaration recorded at the time of the expansion shall set forth the new Allocated Interests and the Common Expense Liability of the existing Units and the newly added Units, computed and determined by Declarant in accordance with Section 1.3 of this Declaration.

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

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

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

15.8 Termination of the Right of Expansion. The right of expansion shall terminate at the option of Declarant by Declarant's written notice of such termination to the Secretary of the Association and, in any event, the right of expansion shall terminate without further act or deed on the date the Declarant's Rights terminate as set forth in Section 10.3 of this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration on _____,
2011.

**EXHIBIT A
TO CONDOMINIUM DECLARATION
OF
THE GREENSTONES**

**LEGAL DESCRIPTION OF THE REAL PROPERTY
SUBMITTED TO CONDOMINIUM DECLARATION
OF
THE GREENSTONES**

A PORTION OF LOT 3, SANITAS TERRACE SUBDIVISION AS RECORDED IN THE RECORDS OF BOULDER COUNTY AT REC NO 2311835, PLAN RECORDS P-57 F-1 #18 ON JULY 26, 2002, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 1 NORTH, RANGE 70 WEST OF THE 6TH P.M., CITY OF BOULDER, COUNTY OF BOULDER, STATE OF COLORADO.

CONSIDERING THE NORTHEASTERLY LINE OF LOT 3 AND OUTLOT B, SANITAS TERRACE SUBDIVISION, TO BEAR SOUTH 50°39'53" EAST, A DISTANCE OF 498.95 FEET, BETWEEN A FOUND NO. 5 REBAR WITH COLLAR "ILLEGIBLE" AND A FOUND NO. 5 REBAR, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT THE NORTHEASTERLY CORNER OF SAID OUTLOT B; THENCE NORTH 50°39'53" WEST, A DISTANCE OF 220.91 FEET; THENCE ALONG THE NORTHWESTERLY LINE OF SAID OUTLOT B, SOUTH 39°20'07", A DISTANCE OF 20.47 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 39°20'07" WEST, A DISTANCE OF 35.86 FEET;
THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 117.19 FEET;
THENCE SOUTH 89°26'00" WEST, A DISTANCE OF 88.42 FEET'
THENCE NORTH 00°12'21" WEST, A DISTANCE OF 59.70 FEET;
THENCE NORTH 89°26'00" EAST, A DISTANCE OF 8.35 FEET;
THENCE NORTH 00°12'21" WEST, A DISTANCE OF 85.00 FEET;
THENCE NORTH 89°26'00" EAST, A DISTANCE OF 103.32 FEET;

SAID PARCEL CONTAINING 12,435 SQ.FT. OR 0.29 ACRES, MORE OR LESS.

Legal Description Prepared by John B. Guyton, Colorado P.L.S. #1646 for and on behalf of Flatirons, Inc., 3826 Iris Ave. Suite 395, Boulder, CO 80301, FSI Job No. 11-58,122.

**EXHIBIT B
TO CONDOMINIUM DECLARATION
OF
THE GREENSTONES**

**LEGAL DESCRIPTION OF THE REAL PROPERTY
THAT MAY BE SUBMITTED TO CONDOMINIUM DECLARATION
OF THE GREENSTONES**

All of Lot 3, Sanitas Terrace Subdivision, according to the Plat thereof recorded July 26, 2002 as Reception No. 2311835 in Plan Records P-57 F-1 #18, in the City of Boulder, County of Boulder, State of Colorado, except for that portion of Lot 3, Sanitas Terrace Subdivision described in Exhibit A.

**EXHIBIT C
TO CONDOMINIUM DECLARATION
OF
THE GREENSTONES**

TABLE OF INTERESTS

In accordance with **Section 1.3** herein, each Unit in the Condominium Community is allocated an undivided **Percentage Ownership Interest in the Common Elements**, a **Common Expense Assessment Liability** and the number of **Votes** as set forth below.

UNIT	BUILDING	Square Footage	Percentage Common Expense Liability	Percentage Ownership Interest in the Common Elements	Number of Votes
1	C	1594	17.85%	17.85%	1
2	C	1216	13.62%	13.62%	1
3	C	1216	13.62%	13.62%	1
4	C	1216	13.62%	13.62%	1
5	C	1594	17.85%	17.85%	1
6	C	2092	23.43%	23.43%	1

The Common Expense Assessment Liability, Percentage Ownership Interest in the Common Elements and Voting Rights have been allocated to each Unit by Declarant in accordance with Sections 1.3 and 4.7 of this Declaration.

NOTE: Square footage calculation for the purpose of determining allocated interests may differ from calculations made from architectural plans or for property tax assessments, real estate sales and advertising, real estate appraisals, loan purposes and/or other purposes. **Declarant makes no representation as to the square footage of the Units or any other portions of the Condominium Community.** Calculations of the percentage interests or common expense liability have been rounded and may not total exactly 100%.

**EXHIBIT D
TO CONDOMINIUM DECLARATION
OF
THE GREENSTONES**

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

1. All easements provided for in ARTICLE THREE and elsewhere in this Declaration.
2. All easements shown on the Map.
3. ORDINANCE #5355 RECORDED DECEMBER 24, 1990 AT RECEPTION NO. 1079937 AND AMENDMENT UNDER ORDINANCE #5392 RECORDED MAY 13, 1991 UNDER RECEPTION NO. 1103103.
4. ANNEXATION AGREEMENT RECORDED FEBRUARY 19, 1991 AT RECEPTION NO. 1088249.
5. INTERIM COVENANT RECORDED NOVEMBER 23, 1999 AT RECEPTION NO. 2001337 AND RE-RECORDED MARCH 16, 2000 UNDER RECEPTION NO. 2029342.
6. DEVELOPMENT AGREEMENT RECORDED MAY 01, 2000 AT RECEPTION NO. 2040634.
7. TERMS, CONDITIONS AND PROVISIONS OF SUBDIVISION AGREEMENT RECORDED JULY 26, 2002 AT RECEPTION NO. 2311836.
8. INCLUSION OF THE PROPERTY IN THE NORTHERN COLORADO WATER CONSERVANCY DISTRICT, AS EVIDENCED BY INSTRUMENT RECORDED SEPTEMBER 03, 1991, UNDER RECEPTION NO. 1127209.
9. EASEMENTS AND OTHER MATTERS ON THE RECORDED PLAT OF SANITAS TERRACE SUBDIVISION.
10. DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS OF SANITAS TERRACE RECORDED APRIL 27, 2005, UNDER RECEPTION NO. 2683353 AND AMENDMENT RECORDED AUGUST 31, 2005, UNDER RECEPTION NO. 2718104.
11. DECLARATION RECORDED JULY 28, 2008 AT RECEPTION NO. 2945840.
12. PUBLIC SERVICE CO EASEMENT RECORDED DECEMBER 01, 2005 AT RECEPTION NO. 2741148.

13. GRANT OF EASEMENT RECORDED JULY 17, 2006 AT RECEPTION NO. 2791178.
14. DEVELOPMENT AGREEMENT RECORDED JULY 24, 2008 UNDER RECEPTION NO. 2945080.
15. GRANT OF A DRAINAGE, UTILITY, AND PUBLIC ACCESS EASEMENT RECORDED AUGUST 11, 2009 AT RECEPTION NO. 03022912.
16. GRANT OF A PUBLIC ACCESS EASEMENT RECORDED AUGUST 11, 2009 AT RECEPTION NO. 03022931.

**EXHIBIT E TO CONDOMINIUM DECLARATION
OF
THE GREENSTONES**

SCHEDULE OF MAINTENANCE RESPONSIBILITIES

I	II	III	IV
ITEMS	COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	UNIT OWNER'S RESPONSIBILITIES WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENTS
All of the real property, landscaping, grounds and other improvements thereon lying outside the Buildings' foundations	All, in all regards		
Corridors, lobbys, stairwells, driveways, and walkways and, in general all portions of the Condominium Community that that are Common Elements	All, in all regards		
Corridors, lobbys, stairwells, driveways, and walkways that are Limited Common Elements	All, in all regards, except for routine cleaning	All, in all regards, except for routine cleaning	Routine cleaning of Limited Common Elements allocated to a Unit
Perimeter walls of Buildings	All, in all regards		
The Buildings' roofs, foundations, exterior, bearing and utility walls	All, in all regards		
Windows and Doors	Painting and caulking only of those portions on the exterior walls of the Building		Routine cleaning, maintenance, repair and replacement of glass in the windows, window mechanisms, and window frames serving a Unit, all, in all regards. Routine cleaning, painting, staining, maintenance, repair and replacement of doors, door mechanisms, and door frames serving a Unit, all, in all regards.
Elevator	All in all regards	All in all regards	
Patios, Porches, Decks	All, in all regards, except for routine cleaning and maintenance.		Owner of particular Unit is responsible for routine cleaning and maintenance of any patios, porches or decks that are part of a Unit or are limited common elements allocated to the particular Unit.
Heating, ventilation and cooling systems and components thereof	Systems serving more than one Unit, all in all regards		Systems and related components thereof serving only one Unit, all in all regards, including any such items located on a portion of the roof and allocated as a Limited Common Element to a Unit
Plumbing and related systems and components thereof	Plumbing and related systems serving more than one Unit, all, in		All plumbing and related systems and components thereof serving only one

	all regards	Unit, all in all regards, including any such items located on a portion of the roof and allocated as a Limited Common Element to a Unit
Trash collection	All, in all regards	
Driveways	All, in all regards	
Parking Spaces, Recycle Collection and Trash Enclosure Area	All, in all regards	

MAINTENANCE RESPONSIBILITIES: This Exhibit is not intended to and should not be interpreted to describe or encompass all maintenance functions or to delineate all respective responsibilities between the Owners and the Association. The placement of responsibility under any specific column does not necessarily reflect ownership. The appropriate provisions of the Condominium Declaration and the Condominium Map determine ownership. In certain cases maintenance responsibility is allocated to the Association to ensure central maintenance responsibility, uniformity and quality of repair, and to protect community health and safety. Where maintenance or repair is required due to the negligent or wrongful act or omission of an Owner (or members of his or her household, tenants, employees, agents, visitors, guests or pets), the Association may perform the necessary maintenance or repair at the sole expense of the Owner (see ARTICLE NINE).

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

COLUMN II: COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY - Determining maintenance, repair and replacement requirements of the Common Elements and the costs thereof is the responsibility of the Association.

COLUMN III: LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY - Determining the maintenance, repair and replacement requirements of the Limited Common Elements listed in this column is the responsibility of the Association. The Owner of a Unit to which a specific Limited Common Element is exclusively appurtenant is responsible to keep said Limited Common Element in a clean and neat condition, except as otherwise provided in this Declaration.

COLUMN IV: OWNER'S RESPONSIBILITY WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENT - Owners are responsible for the maintenance, repair and replacement of the items listed in this column in accordance with the requirements of this Declaration. The items listed in this column are not necessarily exclusive and all-encompassing and do not affect the obligations, standards or responsibilities specified elsewhere in this Declaration.

**EXHIBIT F
TO CONDOMINIUM DECLARATION
OF
THE GREENSTONES**

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