



Declaration of Covenants, Conditions & Restrictions

THIS DECLARATION made this 22nd day of March, A.D., 1979, by Nu-West Development Corporation, a Colorado Corporation, hereinafter referred to as "Declarant".

WHEREAS, Declarant is the owner of certain real property situated in the County of Arapahoe, State of Colorado, which is more particularly described as follows:

Lots 1 to 53, inclusive, Block 1, Lots A, B, C, D, Block 1, Lots 1 to 23, Block 2,
Lots 1 to 35, inclusive, Block 3 and Lots 1 to 42, inclusive, Block 4, Knolls South
Filing No. One, Arapahoe County, Colorado.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions and conditions shall run with the real property and shall be binding upon all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to the TIFFANY HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Property or Properties" shall mean and refer to that certain real property hereinabove described.

Section 3. "Common Area" shall mean and refer to all of the real property owned or to be owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association and to be conveyed by Declarant in one or more parcels, as hereinafter provided for, is described as follows:

Lots A, B, C, D, Block 1, Knolls South Filing No. One, Arapahoe County, Colorado, and those certain parcels of Real Property described on Exhibit A attached hereto and incorporated herein by reference.

Section 4. "Lot" shall mean and refer to any plot of land own upon a recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including Declarant and contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to Nu-West Development Corporation, a Colorado Corporation, its successors and assigns.

Section 8. "Plat" or "Map" shall mean the Plat of Knolls South Filing No. One, recorded in Book 31 at Page 92 and of the records of the Clerk and Recorder of Arapahoe County, State of Colorado.

ARTICLE II MEMBERSHIP

Every Owner as defined in Article 1, Section 6 under this declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lots shall be the sole qualification for membership.

ARTICLE III VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all of the owners with the except of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest. When more than one person holds such interest in any Lot, all such persons shall be members provided, however, that the vote for such Lot shall be exercised as the several Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever

occurs earlier:

When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
December 31, 1982.

ARTICLE IV PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, such right and easement of enjoyment in and to the Common Area shall be subject to the following:

- a) The right of the Association to limit the number of guests of Owners on the Common Area, situated within the properties.
- b) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage or grant other security interests in the Common Area; provided, however, that the rights of any mortgagee shall be subject to the rights of the Owners of the Association while any mortgage or note and deed of trust is current and not in default, and further provided that no funds may be borrowed nor shall any mortgage or deed of trust be given unless an instrument signed by two-thirds (2/3) of each class of members and not less than seventy-five percent (75%) of the first mortgagees of lots (based on one vote for each mortgage) agreeing to such action has been recorded with the Clerk and Recorder of Arapahoe County, Colorado.
- c) The right of the Association to suspend the voting rights and right to use of the common area by an Owner for any period during which any assessment against his lot remains unpaid; and the right of the Association to suspend the voting and right to use of the common area by an Owner for a period not to exceed thirty (30) days for any infraction of its published rules and regulations.
- d) The right of the Association to dedicate or transfer all or any part of the Common Area, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members and by persons holding mortgages or deeds of trust on any portion of the subject Property. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the Class B membership, if any, and not less than seventy-five percent (75%) of the first mortgagees of Lots (based on one vote for each mortgage) has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every owner and first mortgagee not less than thirty (30) days nor more than sixty (60) days in advance. Declarant shall have the right at any time to use so much of the Common Area as it may deem reasonably necessary and advisable for the purpose of aiding in the construction and development of the unimproved Lots and Common Area, and the maintenance and repair of the same; provided, however, that such use may not interfere with an Owner's use and reasonable access to any recreation facilities constructed on the Common Area nor with an Owner's right of ingress and egress to his home.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, to its successors and assigns, that it will convey title to the Common Area by one or more deeds to the Association, free and clear of all encumbrances and liens, except for easements, rights of way and restrictive covenants of record, prior to or contemporaneously with the conveyance of the first Lot shown on the Plat or on the Plat of any property annexed hereto in accordance with the provisions of Article XI, Section 3.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section I. Creation of the Lien and Personal Obligation of Assessments. Each owner, including Declarant, of any Lot situated on the real property here before described by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

- a) Annual assessments or charges: and
- b) Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided.

The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due; provided, however, that the personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association through its Board of Directors shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Property; and in particular, for the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and further, in reference to the Common Areas for the purpose of repairing, reconstructing, replacing and maintaining sidewalks, footpaths, utilities, landscaping, recreational facilities, if any, and any other maintenance or improvement obligations which may be deemed necessary for the common benefit of the Owners and the maintenance of property values or which may be incurred by virtue of agreement with or requirement of the City, County or other governmental authorities. The assessments shall further be used to provide adequate insurance of any and all types and amounts deemed necessary by the Board of Directors with respect to the Common Area and public ways and to provide such reserves as may be deemed necessary in order to accomplish the objects and purposes of the Association. A portion of the annual assessments shall further be used to provide a reserve fund for the replacement and maintenance of the Common Area and the Board of Directors shall be obligated to establish such reserve fund.

Section 3. Basis and Payment of Annual Assessments.

- a) The annual assessments with respect to each Lot shall be estimated by the Board of Directors prior to the conveyance of the first Lot and shall be payable in equal quarterly installments; provided, however, that until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Fifty Dollars (\$150.00) per Lot.
 - i. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximumtwelve (12%) per cent of the maximum annual assessment. ($\$150.00 \times 0.12 = \18.00). (SEE FIRST AMENDMENT TO COVENANTS FOR COMPLETE PARAGRAPH)
 - ii. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased in accordance with the provision of (i) above, by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose.
 - iii. The Board of Directors may fix the annual assessment at an amount not in excess of maximum.
- b) Quarterly installments of annual assessments shall be payable on or before the 10th day of the first month of each calendar quarter. Written notice of the annual assessment shall be sent to every owner immediately following the assessment date. The Association shall upon demand of any Owner, prospective purchaser, mortgagees and prospective mortgagee furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any reconstruction, repair or replacement of a capital improvement which is situated upon the Common Area, including the fixtures and personal property related thereto, provided, that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Class A members and two-thirds (2/3) of the votes of the Class B members who are voting in person or by proxy at a meeting duly called for this purpose. For purposes of this section, the repair, maintenance or replacement of utility lines, including but not limited to gas, water, sewer, telephone, and electric to the improvements, if any, situated on the Common Areas, shall be considered capital improvements.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3(a)(ii) or 4 shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is

not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Date of Commencement of Actual Assessments; Due Dates. The quarterly installment of the annual assessments provided for herein shall commence on the first day of the calendar quarter following the conveyance of the first Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots.

Section 8. Effect of Nonpayment of Assessments - Remedies of the Association. Any annual or special assessment which is not paid when due shall be delinquent. If the assessment installment is not paid within thirty (30) days after the due date, the assessment installment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the delinquent installments, or foreclose the lien against the Owner's Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot as a result of court foreclosure of a first mortgage foreclosure through the Public Trustee, or any proceeding in lieu of foreclosure, shall extinguish the lien of such assessments as to payments thereof which become due prior to the time such first mortgagee acquires title, but shall not relieve any former Owner of personal liability therefor. No sale or transfer shall relieve such Lot from liability for any assessments becoming due after such first mortgagee acquires title.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the lien for assessments created herein;

- a. All property dedicated to and accepted by a local public authority;
- b. The Common Area.

Section 11. Notice to Mortgagee. Upon request of a mortgagee, and upon receipt by the Association of a reasonable fee not to exceed Five Dollars (\$5.00) for such service, the Association shall report to the mortgagee of a Lot any unpaid assessments or other defaults under the terms hereof which are not cured by said mortgagee's mortgagor within thirty (30) days; provided, however, that a mortgagee shall have furnished to the Association notice of its encumbrance.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall, or other structure shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, exterior color scheme and location of such structure and the grading plan and finished grade elevations of the Lot to be built upon shall have been submitted to and approved by the Architectural Control Committee hereinafter described and a copy thereof as finally approved lodged permanently with said Committee. No landscaping on any Lot shall be done until a landscaping plan shall have been submitted to and approved by such Committee. Such Committee shall have the right to refuse to approve any such plans or specifications or grading or landscaping plans which are not suitable or desirable in the Committee's opinion, for aesthetic or other reasons, and in so passing upon such plans, specifications and grading and landscaping plans, the Committee shall have the right to take into consideration the suitability of the proposed building or other structure and of the materials of which it is to be built, to the Lot upon which it is proposed to erect the same, the harmony thereof with the surroundings, the topography of the land and the affect of the building or other structure as planned on the outlook from the adjacent or neighboring property. All subsequent additions to or changes or alterations in any building, fence, well, or other structure, including exterior color scheme and all subsequent additions to or changes or alterations in any grading or landscaping plans shall be subject to the prior approval of the Architectural Control Committee.

Section 2. The Architectural Control Committee shall consist of not less than three members, nor more than five members. The following persons are hereby designated as the initial members of the Committee:

James Kemp, 2255 East County line Road, Littleton, CO.
Michael Packard, 2255 East County Line Road, Littleton. CO.
Dennis Stimson, 2255 East County Line Road, Littleton, CO.

Each member of the committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the Committee may be removed at any time with cause by the Association's Board of Directors.

Section 3. The Association's Board shall have the right to appoint and remove all members of the Committee, but so long as Declarant is entitled to three votes for every one vote to which another Lot Owner is entitled pursuant to Article III, hereof, Declarant shall have the right to approve or disapprove all members proposed for appointment by the Association. Thereafter, the Association shall have the right to appoint and remove all members of the Committee without Declarant's consent.

Section 4. Review of Proposed Construction. Whenever in this Declaration the approval of the Architectural Control Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which in its sole discretion are relevant. Prior to commencement of any construction of any Improvement with the properties, the plans and specifications therefor shall be submitted to the Architectural Control Committee, and construction thereof may not commence unless and until the Committee has approved such Plans and Specifications in writing. The Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration and perform such other duties assigned to it by this Declaration, or as from time to time shall be assigned to it by the Association, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Committee. The Committee shall approve Plans and Specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area or properties as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of Plans and Specifications or other information prior to approving or disapproving the material submitted. The Committee may also issue rules or guidelines regarding anything relevant to its function, including but not limited to minimum standards and procedures for the submission of Plans and Specifications for approval. The Committee may require a reasonable fee to accompany each application for approval. The Committee may require such detail in Plans and Specifications submitted for its review and such other Information as it deems proper, including without limitation environmental Impact statements. Until receipt by the Committee of all required Plans and Specifications and other information, the Committee may postpone review of anything submitted for approval.

Section 5. The committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time by resolution unanimously adopted in writing designate one of its members to take any action or perform any duties for and on behalf of the Committee. In the absence of such designation, the vote of a majority of all of the members of the Committee, or the written consent of a majority of all of the members of the Committee taken without a meeting, shall constitute an act of the Committee.

Section 6. The approval or consent of the Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans or Specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different person.

Section 7. The members of the Committee shall be entitled to reasonable compensation from the Association for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties hereunder. Such compensation shall be determined by Declarant while it has the right to approve or disapprove the members of the Committee Pursuant to Section 3 above and thereafter by the Board.

Section 8:

- a) Completed Work. Inspection of completed work and correction of defects therein shall proceed as follows:
 - i. Upon the completion of any improvement for which approved Plans or Specifications are required under this Declaration, the Owner shall give written notice of completion to the Committee.
 - ii. Within such reasonable time as the Committee may set but not to exceed fifteen days thereafter, the Committee or its duly authorized representative may inspect such improvement. If the Committee finds that such work was not done in strict compliance with all approved Plans and Specifications submitted or required to be submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the same.

- iii. If upon the expiration of thirty days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Committee shall notify the Association's Board in writing of such failure. Upon Notice and Hearing, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five days from the date of announcement of the Board ruling. If the Owner does not comply with the Board's ruling within such period, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the Owner shall reimburse the Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy an assessment against such Owner and the improvement in question and the land upon which the same is situated for reimbursement, and the same shall constitute a lien upon such land and Improvement and be enforced as in this Declaration provided.
- iv. If for any reason after receipt of said written notice of completion from the Owner, the Committee fails to notify the Owner of any noncompliance within the period provided above in subparagraph (ii) of Section 8, the Improvement shall be deemed to be in accordance with said approved Plans and Specifications.
- b) Work in Progress. The Committee may inspect all work in progress and give notice of noncompliance as provided above in subparagraph (ii) of Section 8. If the Owner denies that such non-compliance exists, the procedures set out in subparagraph (iii) of Section 8 shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the noncompliance if the Board shall find that such noncompliance exists.

Section 9. Nonliability of Committee Members. Neither the Committee nor any member thereof nor the Board nor any member thereof shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Committee or its member or the Board or its member, as the case may be. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

ARTICLE VII **MAINTENANCE**

Each Owner shall be solely responsible for the maintenance and repair of his Lot. In the event an owner of any Lot in the Properties shall fail to maintain his Lot and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after notice and hearing and upon approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VIII **USE RESTRICTIONS**

- a) The use of the Common Area, Lots and Improvements thereon shall be subject to the restrictions set forth in Article IV, Section 1, and to those restrictions hereinafter set forth.
- b) The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association or the Association members.
- c) No use shall be made of the Common Area which will in any manner violate statutes, rules, regulations, orders or decrees of any governmental authority having jurisdiction over the Common Area.
- d) No Owner shall place any structure upon the Common Area, nor shall do any act which would temporarily or permanently deny free access to any part of the Common Area to all Owners.
- e) The Property is hereby restricted to residential dwellings for residential use and uses related to the convenience and enjoyment of such residential use. All buildings or structures erected upon the Property shall not be moved from other locations onto any Lot. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any portion of the Properties at any time as a residence either temporarily or permanently. No Lot or portion of the Common Area, nor Improvements located on either a Lot or portion of the Common

- Area shall ever be used for commercial purposes.
- f) No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. All household pets shall be controlled by their owner and shall not be allowed in or on the Common Area or any facility located thereon except when properly leashed. Each owner of a household pet shall be financially responsible and liable for any damage caused by said household pet. .
 - g) No advertising sign (except one of not more than six square feet, containing the words "For Sale" or "For Rent" per Lot), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot nor shall any Lot be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any Lot or any residence thereof. The prohibitions set forth in this Section shall not apply to the Declarant or any other contractor constructing improvements on any Lot within the proportion during the initial sales and construction period.
 - h) All clotheslines, equipment, garbage cans, service yards, wood piles or storage piles shall be kept so as to conceal them from view of neighboring Lots and streets. All rubbish, trash or garbage shall be regularly removed from the Lots, and shall not be allowed to accumulate thereon.
 - i) The Association or its duly delegated representative shall maintain and otherwise manage the Common Area, provided however, that any agreement for professional management of the common area or any contract for providing services by the Declarant in regard to the common area shall provide that the same shall be terminable with or without cause or the payment of a termination fee on 60 days written notice by either party and shall not be for a term in excess of 3 years.
 - j) No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the Improvements to be located upon the Properties, nor upon any structure situated upon the Property, except as may be approved, in writing, by the Board of Directors of the Association or the Architectural Control Committee.
 - k) No garage shall be used for any purpose other than the parking or storage of an Owner's car. No garage shall be used for the rebuilding of vehicles or for storing of explosives, gasoline or other volatile and/or incendiary materials or devices. Garage doors shall remain closed when not in use.
 - l) No boat, camper, trailer, truck, recreational vehicle or other vehicle of a similar type or nature shall be parked or stored in or on any street within the Properties or on Common Areas within these Properties. Such vehicles shall only be stored or parked in those areas of these Properties, if any, designated for storage or parking of such vehicles by the Association's Board of Directors. Further, no boat, camper, trailer, truck, recreational vehicle or other vehicle of a similar type or nature shall be parked or stored on any Lot, except in the garage area or except within a screened enclosure situated in the rear or side of the dwelling improvement constructed on said lot, which screened enclosure was, prior to its erection, approved by the Association's Architectural Control Committee.
 - m) Damage to any portion of the Common Areas and/or Improvements located thereon caused by an Owner or his family or guests shall be paid for by said Owner within thirty (30) days after receipt of a bill from the Association. If said sum is not paid within said thirty (30) day period, then the Association shall be entitled to collect the same in the manner provided for in Article V, Section 8 of this Declaration. The term "damage" shall not include ordinary wear and tear.
 - n) The Common Areas shall not be abandoned or subdivided by the Association.
 - o) Each owner shall, within nine (9) months from the date such Owner acquires title to his Lot, cause those portions of Lot not occupied by improvements to be landscaped and/or sodded.

ARTICLE IX EASEMENTS

Section 1. Common Area. The easements over and across the Common Area shall be those shown, or provided for, upon the recorded Plat of The Knolls South Filing No. One and such other easements as may be established pursuant to the provisions of this Declaration of Covenants, Conditions and Restrictions.

Section 2. Encroachments. Each Lot and the Common Area shall be subject to an easement or encroachment of buildings onto adjoining Lots or the Common Area or encroachment of the Common Area onto any Lot, overhangs, as designed or constructed by the Declarant, and for any encroachment occurring hereafter as a result of settling or shifting of any structure. A valid easement shall exist for said encroachments and overhangs and for their maintenance, repair and replacement. If any structure is partially or totally destroyed, and then rebuilt, the Owners of Lots agree that minor encroachments of parts of construction onto adjacent Lots or the Common Area due to construction shall be permitted and that a valid easement for such overhangs and encroachments and the maintenance thereof shall

exist.

Section 3. Utilities. There is hereby created a blanket easement upon, across and under the Common Area for installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and telephone companies to erect and maintain the necessary equipment on said property and to affix and maintain water and sewer pipes, electrical and telephone wires, circuits, conduits and meters on the Common Area.

Section 4. Easement for Maintenance. In the event that any improvement constructed on any Lot shall be located within five (5) feet of any side lot lines then and in such event, the owner of said Lot shall have a five (5) foot easement over, across and through the lot immediately adjoining that portion of his Improvement which is less than five (5) feet from his lot line. Said easement shall commence at the front of any such adjoining Lot and terminate at the rear thereof and shall be used only for the maintenance, repair, replacement and preservation of the Improvement constructed on said Owner's Lot.

Section 5. Easement for Association. Each lot and the Common Area shall be subject to an easement for the Association (including its agent, employees and contractors) for providing maintenance described in Article VII.

ARTICLE X INSURANCE

The Association, through its board of Directors, shall have the authority to and shall obtain insurance on all improvements if any, located on the Common Area for public liability in the face amount of not less than \$500,000.00, and against loss or damage by fire and such other hazards as are generally covered in the area under standard extended coverage provisions for at least the full insurable replacement costs of such improvements, and common area facilities. Such insurance coverage shall be written in the name of and the proceeds thereof to be payable to the Association. Any hazard insurance proceeds received by the Association arising from losses to the Common Area shall be applied to the cost of repair, replacement and/or reconstruction of those portions of the Common Area so damaged or destroyed, unless at least seventy-five percent (75%) of the Owners, other than Declarant, have given their prior written consent to use of such hazard insurance proceeds for other purposes.

ARTICLE XI GENERAL PROVISIONS

Section 1. Public Utility Tariffs. All Lots shall be subject to and bound by Public Service Company tariffs which are now and may in the future be filed with the Public Utilities Commission of the State of Colorado relating to street lighting in this Subdivision, together with rates, rules and regulations therein provided and subject to all future amendments and changes thereto. Any and all Owners shall pay as billed a portion of the cost of public street lighting in the Properties in accordance with the rates, rules and regulations now in effect and so hereafter amended by Public Service; the same to be filed with and approved by the Public Utilities Commission of the State of Colorado.

Section 2. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any rights hereunder shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Annexation. Additional real property adjoining the Property may be annexed to the Properties by the Declarant without the consent of the Owners at any time or times prior to December 31, 1982. Said annexation shall occur when the Declarant records a Certificate of Annexation, describing the real property to be annexed and on the date of recording said Certificate, said real property shall be deemed a part of the Properties, as defined herein, and shall be subject to all of the terms and conditions of this Declaration, except as hereinabove set forth, no other real property shall be annexed to the Property without the prior approval of 2/3 of the Project.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners and at all time by not less than seventy-five percent (75%) of the first mortgagees of Lots within the Properties (based upon one vote for each mortgage). Any amendment must be recorded.

Section 5. Condemnations. In the event any or all of the common area or the improvements thereon, are taken by any governmental authority, public or quasi-public agency for purposes of eminent domain, the condemnation award resulting from such taking shall be paid to the Association on behalf of the Owners. The Association may distribute such award in a manner it determines equitable by separate checks made payable to the owner and the first mortgagee of the Owner's lots), unless at least seventy-five percent (75%) of the Owners, other than Declarant, have given their prior, written consent to an alternative use or distribution of such award.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

**IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his
hand and seal this 22nd day of March A.D., 1979.
Nu-West Development Corporation
By James Kemp**