

After Recording, Return To:

Lansky Weigler, P.C.
1401 17th Street, Suite 560
Denver, Colorado 80202

***AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
MEADOW HILLS HOMEOWNERS ASSOCIATION, INC.***

TABLE OF CONTENTS

ARTICLE 1

DEFINED TERMS

Section 1.1 Defined Terms -1-

ARTICLE 2

NAMES & DESCRIPTION OF REAL ESTATE/EASEMENTS

Section 2.1 Name and Type -3-
Section 2.2 Property -3-
Section 2.3 Number of Lots -3-
Section 2.4 Identification of Lots/Lot Descriptions -3-
Section 2.5 Owners' Easements of Enjoyment -4-
Section 2.6 Delegation of Use -4-
Section 2.7 Easements for the Board of Directors -4-
Section 2.8 Utilities -5-
Section 2.9 Emergency Easements -5-
Section 2.10 Easement for Encroachments -5-

ARTICLE 3

THE ASSOCIATION

Section 3.1 Membership -5-
Section 3.2 General Purposes and Powers of the Association -5-
Section 3.3 Authority of the Association -5-
Section 3.4 Specific Powers -6-
Section 3.5 Allocated Interests -6-
Section 3.6 Association Management Agreements -6-
Section 3.7 Indemnification -6-

ARTICLE 4

COVENANT FOR ASSESSMENTS FOR COMMON EXPENSES

Section 4.1 Creation of Association Lien and Personal Obligation to Pay Common
Expense Assessments -6-
Section 4.2 Levy of Annual Assessments -7-
Section 4.3 Apportionment of Common Expenses -8-
Section 4.4 Special Assessments -8-
Section 4.5 Default Assessments -8-
Section 4.6 Real Estate Transfer Assessments -8-
Section 4.7 Effect of Non-Payment of Assessments -8-
Section 4.8 Lien Priority -9-
Section 4.9 Owner's Negligence or Misconduct -10-

ARTICLE 5

DESIGN REVIEW

Section 5.1	<u>Required Approval</u>	10-
Section 5.2	<u>Design Criteria</u>	-11-
Section 5.3	<u>Establishment of the Design Review Committee</u>	-11-
Section 5.4	<u>Design Guidelines</u>	-11-
Section 5.5	<u>Reply and Communication</u>	-11-
Section 5.6	<u>Variances</u>	-11-
Section 5.7	<u>Right to Appeal</u>	-11-
Section 5.8	<u>Waivers</u>	-12-
Section 5.9	<u>Liability</u>	-12-
Section 5.10	<u>Records</u>	-12-
Section 5.11	<u>Enforcement</u>	-12-

ARTICLE 6

**COVENANTS AND RESTRICTIONS ON USE,
ALIENATION AND OCCUPANCY**

Section 6.1	<u>Flexible Application of the Subsequent Covenants and Restrictions</u>	-12-
Section 6.2	<u>Authority</u>	-12-
Section 6.3	<u>Use</u>	-13-
Section 6.4	<u>Leasing and Occupancy</u>	-13-
Section 6.5	<u>Lots to be Maintained</u>	-14-
Section 6.6	<u>Antennae</u>	-14-
Section 6.7	<u>Nuisances</u>	-14-
Section 6.8	<u>Vehicular Parking, Storage, and Repairs</u>	-14-
Section 6.9	<u>Use of Common Elements</u>	-15-
Section 6.10	<u>No Annoying Lights, Sounds or Odors</u>	-15-
Section 6.11	<u>Outside Burning/Precaution for Fire Hazards</u>	-16-
Section 6.12	<u>No Hazardous Activities</u>	-16-
Section 6.13	<u>Restrictions on Animals and Pets</u>	-16-
Section 6.14	<u>Restriction on Signs and Advertising Devices</u>	-16-
Section 6.15	<u>Trash Removal Restriction</u>	-17-

ARTICLE 7

PARTY WALLS

Section 7.1	<u>Definition</u>	-17-
Section 7.2	<u>General Rules of Law to Apply</u>	-17-
Section 7.3	<u>Sharing of Repair and Maintenance</u>	-17-
Section 7.4	<u>Destruction by Fire or Other Casualty</u>	-17-
Section 7.5	<u>Weatherproofing</u>	-17-
Section 7.6	<u>Right to Contribution Runs With Land</u>	-17-
Section 7.7	<u>Arbitration</u>	-17-

ARTICLE 8

EXTERIOR MAINTENANCE

Section 8.1 General-18-
Section 8.2 Owners Maintenance Responsibility-18-
Section 8.3 Owner's Failure to Maintain Lot-18-
Section 8.4 Owner's Negligence-18-

ARTICLE 9

INSURANCE/CONDEMNATION

Section 9.1 Insurance on the Lots-19-
Section 9.2 Insurance Carried by the Association-19-
Section 9.3 Hazard Insurance on Lots and Common Elements-20-
Section 9.4 Association Liability Insurance-20-
Section 9.5 Association Fidelity Insurance-20-
Section 9.6 Association Worker's Compensation and Employer's Liability
Insurance-21-
Section 9.7 Officers' and Directors' Personal Liability Insurance-21-
Section 9.8 Other Association Insurance-21-
Section 9.9 Insurance Premium-21-
Section 9.10 Annual Insurance Review-21-
Section 9.11 Adjustments by the Association-21-
Section 9.12 Duty to Repair-21-
Section 9.13 Condemnation and Hazard Insurance Allocations and Distributions
.....-21-
Section 9.14 Responsibility for Payment of Deductible Amount-22-

ARTICLE 10

**SPECIAL RIGHTS OF HOLDERS OF
FIRST LIEN SECURITY INTERESTS**

Section 10.1 General Provisions-22-
Section 10.2 Special Rights-22-
Section 10.3 Special Approvals-23-
Section 10.4 Right to Pay Taxes and Insurance Premiums-24-

ARTICLE 11

GENERAL PROVISIONS

Section 11.1 Enforcement-24-
Section 11.2 Severability-24-
Section 11.3 Term of Declaration-24-
Section 11.4 Amendment of Declaration by Owners-25-
Section 11.5 Captions-25-
Section 11.6 Interpretation-25-
Section 11.7 Singular Includes the Plural-25-
Section 11.8 Challenge to this Amendment-25-
Section 11.9 Non-Waiver-25-
Section 11.10 Conflict of Provisions-25-

**AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
MEADOW HILLS HOMEOWNERS ASSOCIATION, INC.**

THIS AMENDED AND RESTATED DECLARATION is made on the date hereinafter set forth by Meadow Hills Homeowners Association, Inc., a Colorado nonprofit corporation ("Association").

RECITALS:

A. George W. Green, as "Declarant" and as owner of certain real property, subjected the property described therein to that certain Declaration of Covenants, Conditions and Restrictions of Meadow Hills Homeowners Association, Incorporated, recorded in the real property records of Arapahoe County, Colorado, on September 24, 1979, at in Book 3081 at Page 772 ("Original Declaration").

B. The Owners and Association desire to amend and restate all provisions of the Original Declaration by this Amended and Restated Declaration of Covenants, Conditions and Restrictions of Meadow Hills Homeowners Association, Inc. ("Declaration"), and state that upon the recording of this Declaration all prior recorded amendments and instruments creating covenants, conditions, restrictions, and reservations on the real property shall be superseded by this Declaration.

NOW THEREFORE, the Original Declaration is replaced and superceded by the covenants, servitudes, easements and restrictions set forth below:

**ARTICLE 1
DEFINED TERMS**

Section 1.1 Defined Terms. Each capitalized term in this Declaration shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration or as set forth below:

- (a) Act shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 et. seq., as it may be amended.
- (b) Association shall mean Meadow Hills Homeowners Association, Inc., a Colorado nonprofit corporation, and its successors. The Association shall act by and through its Board of Directors and officers.
- (c) Board, Executive Board, or Board of Directors shall mean the body, regardless of name, designated in the Governing Documents to act on behalf of the Association.
- (d) Common Elements shall mean all real and personal property owned or leased

by the Association for the common use and enjoyment of the Owners.

(e) Common Expenses shall mean and refer to all expenditures made and liabilities incurred by or on behalf of the Association, together with any allocation by the Association to reserves.

(f) Common Expense Assessment or Assessment shall include all common expense assessments, insurance assessments, utility assessments, and any other expense levied to Lots pursuant to the Declaration or the Act, including interest, late fees, attorney fees, fines, and costs.

(g) Community or Meadow Hills or Planned Community shall mean the planned community known as Meadow Hills or Meadow Hills Homeowners Association, Inc., and the real property subject to this Declaration as further defined by the recorded plats and the legal descriptions contained therein, and the Members of the Association.

(h) Declaration shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions of Meadow Hills Homeowners Association, Inc., recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado.

(i) Design Review Committee or Committee means the committee appointed by the Board of Directors for the purpose of implementing the design review provisions of this Declaration and design guidelines for the Community to insure proper use, appropriate improvement, and harmonious additions, alterations and Improvements within the Community.

(j) Eligible Holder shall mean a holder, insurer or guarantor of a first lien security interest who has delivered a written statement to the Association containing its name, address, the legal description and the address of the Lot upon which it holds a security interest.

(k) Governing Documents shall mean this Declaration, the Map, the Articles of Incorporation, the Bylaws, and any Rules and Regulations of the Association, as all of the foregoing may be amended from time to time.

(l) Improvement(s) shall mean structures installed within or upon a Lot.

(m) Lot or Unit shall mean and refer to any plot of land shown upon any recorded Subdivision Map of the Property, including all appurtenances and Improvements located thereon, but excepting Common Elements.

(n) Map or Plat shall mean and refer to the map(s) and/or plat(s) of the Property and Improvements that are subject to this Declaration and which are designated in the map

for Meadow Hills Homeowners Association, Inc., recorded in the records of the Office of the Clerk and Recorder of Arapahoe County. More than one Map or supplement thereto may be recorded, and, if so, then the term "Map" shall collectively mean and refer to all of such maps, plats and supplements thereto.

(o) Member shall mean any Owner. The terms "Member" and "Owner" may be used interchangeably.

(p) Owner shall mean the owner of record title, whether one or more persons or entities, to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(q) Property shall mean the real property described in the Original Declaration together with all easements, rights, and appurtenances thereto and the buildings and Improvements erected or to be erected thereon.

(r) Residence or Townhouse shall mean and refer to the structure erected on a Lot which is intended for use as a dwelling in accordance with this Declaration.

(s) Rules and Regulations shall mean any instruments, however denominated, which are adopted by the Association for the regulation and management of the Community, including any amendment to those instruments.

ARTICLE 2 NAMES & DESCRIPTION OF REAL ESTATE/EASEMENTS

Section 2.1 Name and Type. The type of Common Interest Community is a Planned Community. The name of the Planned Community is Meadow Hills. The name of the Association is Meadow Hills Homeowners Association, Inc.

Section 2.2 Property. The Planned Community is located in Arapahoe County, Colorado. The Property of the Planned Community is described in the Original Declaration. Easements for utilities and other purposes over and across the Lots and any Common Elements may be as shown upon a recorded plat and on any recorded map of the Planned Community, and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 2.3 Number of Lots. The number of Lots included in Meadow Hills is forty-six (46).

Section 2.4 Identification of Lots/Lot Descriptions. The identification of each Lot is shown on the plat. Every contract for sale, deed, lease, security interest, will or other legal instrument shall legally describe a Lot by its identifying lot number, followed by the name of the

Community, with reference to the plat, any map and the Declaration. An illustrative description is as follows:

Lot ____, Meadow Hills Country Club Subdivision Filing No. 1, or Hills Subdivision Filing No. 1, in accordance with the recorded Plat and Declaration, Arapahoe, Colorado.

Reference to the Declaration, plat and map in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration, plat or map, without specific references thereto.

Section 2.5 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of ingress and egress and enjoyment in, to, and over the Common Elements and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to limit the number of guests of Owners;
- (b) the right of the Association to adopt Rules and Regulations governing the use of the Common Elements;
- (c) the right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements;
- (d) the right of the Association, in accordance with its Articles of Incorporation and Bylaws to borrow money for the purpose of improving or maintaining the Common Elements and to mortgage the Common Elements as security of any such loan;
- (e) the right of the Association to suspend the Owner's voting rights for any period during which any Assessment against a Lot remains unpaid, and, after notice and the opportunity for a hearing, for any infraction of the Governing Documents; and
- (f) the right of the Association to close or limit access to the Common Elements for maintenance, repair, replacement, and improvement.

Section 2.6 Delegation of Use. Any Owner may delegate their right of enjoyment to any Common Elements to the members of their family, their tenants, guests, or contract purchasers who reside at their Lot.

Section 2.7 Easements for the Board of Directors. Each Lot shall be subject to an easement in favor of the Board of Directors (including its agents, employees and contractors) to allow for their performance of obligations in this Declaration, provided that the easement granted and the use thereof shall not unreasonably interfere with or impair the use of any Improvements constructed on a Lot and shall be exercised only after reasonable notice to the Owner of the Lot.

Section 2.8 Utilities. There is a blanket easement upon, across, over and under the Property for utilities and the installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone, electricity, master television antenna systems, and cable television, provided that this blanket easement shall not extend upon, across, over or under any structure located on any Lot.

Section 2.9 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 Community, to enter upon any part of the Community in the performance of their duties.

Section 2.10 Easement for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Lot, an easement for the existence of such encroachment and for the maintenance of the same shall and does exist. If any part of a Lot encroaches or shall hereafter encroach upon the Common Elements, or upon another Lot, the Owner of that Lot shall and does have an easement for the existence of such encroachment and for the maintenance of same. The easement shall extend for whatever period of time the encroachment exists.

Such easements for encroachments shall not be considered to be encumbrances either on the Common Elements or on a Lot. The actual location of a Lot shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered notwithstanding any minor deviations from the location of such Lot indicated on the Map.

ARTICLE 3 THE ASSOCIATION

Section 3.1 Membership. Every person who is a record Owner of a fee interest in any Lot which is subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for such membership. Each Lot shall be allocated one (1) vote which shall be cast as a single vote and shall not be subject to fractional voting.

Section 3.2 General Purposes and Powers of the Association. The Association, through its Board of Directors, shall perform functions and manage the Meadow Hills Community as provided in this Declaration so as to protect the value and desirability of the Community and the Lots. Any purchaser of a Lot shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.3 Authority of the Association. The business affairs of the Community shall be managed by the Association. The Association shall be governed by the Act, this Declaration, the Map, its Articles of Incorporation and Bylaws, and any Rules and Regulations adopted by the Board

of Directors. The Board of Directors may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility.

Section 3.4 Specific Powers. The Association shall have the powers, authority and duties as necessary and proper to manage the business and affairs of the Meadow Hills Community. The Association shall have all of the powers, authority and duties permitted or set forth in the Act. The Association shall have the power to assign its right to future income, including the right to assign its right to receive assessments for Common Expenses, with the consent of fifty-one percent (51%) of the Members voting in person or by proxy at a meeting called for that purpose. The Association shall be responsible for the maintenance, repair, replacement and improvement of any Common Elements.

Section 3.5 Allocated Interests. The Common Expense liability and votes in the Association allocated to each Lot are set as follows:

- (a) Common Expense liability equally among all Lots;
- (b) One vote per Lot.

Section 3.6 Association Management Agreements. Any agreement for professional management of the Community may not exceed three (3) years. 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.

Section 3.7 Indemnification. To the full extent permitted by law, each officer and director of the Association shall be and hereby are indemnified by the Lot Owners and the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer or director of the Association, or any settlements thereof, whether or not they are an officer or director of the Association at the time such expenses are incurred, pursuant to the indemnification provisions set forth in the Bylaws; except in such cases where such officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE 4 COVENANT FOR ASSESSMENTS FOR COMMON EXPENSES

Section 4.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments.

(a) The Association annual Common Expense Assessments and such other assessments as imposed by the Association, including fees, charges, late charges, attorney fees, fines and interest charged by the Association, shall be a charge on each Lot and shall be a continuing lien upon the Lot against which each such assessment or charge is made. If any assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due.

(b) Each Lot, and each Lot Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments, insurance assessments (assessed in proportion to risk), if any, utility assessments (assessed in proportion to usage) if any, and such other assessments as imposed by the Association.

(c) Such assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall be the personal obligation of the Lot Owner of such Lot at the time when the assessment or other charges became or fell due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them.

(d) No Lot Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Lot against which the Common Expense Assessments are made.

(e) All assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by 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.

Section 4.2 Levy of Annual Assessments.

(a) The Common Expense Assessment, including required funding for the reserve account, may be made on an annual basis against all Lots and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year as determined by the Board of Directors pursuant to the Bylaws.

(b) Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Board of Directors.

(c) The omission or failure of the Board of Directors to levy the assessment for any period shall not be deemed a waiver, modification or a release of the Lot Owners from their obligation to pay.

Section 4.3 Apportionment of Common Expenses. Except as provided in this Declaration, all assessments for Common Expenses shall be assessed against all Lots equally.

Section 4.4 Special Assessments. 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 construction, reconstruction, repair or replacement of the Common Elements, including fixtures and personal property related thereto, or for any other purpose deemed necessary and appropriate by the Board of Directors, provided that any such special assessment shall have the approval of two-thirds (2/3) of the members of record, voting in person or by proxy at a meeting duly called for this purpose.

Section 4.5 Default Assessments. All monetary fines assessed against an Owner pursuant to the Governing Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Governing Documents shall be a Default Assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to the due date.

Section 4.6 Real Estate Transfer Assessments.

(a) Each Owner, upon the transfer of a Lot, shall pay to the Association at the time of the closing of such transfer, a nonrefundable amount equal to the then current monthly installment of the annual assessment.

(b) The statement of assessments due and payable to the Association at the time of the closing of the transfer of a Lot shall identify and include the amount of this Real Estate Transfer Assessment.

(c) This Real Estate Transfer Assessment is separate from and in addition to any and all other assessments which are levied against the Lots by the Association and shall be deposited into the operating or reserve accounts of the Association as the Board determines best benefits the Association's needs at the time of the transfer.

(d) This Real Estate Transfer Assessment shall be an Association lien on the Lot as provided in this Declaration if not paid at the time of closing of the transfer of the Lot.

Section 4.7 Effect of Non-Payment of Assessments.

(a) Any assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, as established by the Board of Directors, shall bear interest at the rate established by the Board of Directors, on a per annum basis from the due date, and the Association may assess a reasonable late charge thereon as determined by the Board of Directors.

(b) Failure to make payment within thirty (30) days of the due date thereof may cause the total amount of such Lot Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board.

(c) The Association may bring an action at law or in equity, or both, against any Lot Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Lot Owner's Lot. An action at law or in equity by the Association against a Lot Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor.

(d) Foreclosure or attempted foreclosure by the Association of its lien shall not preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due.

(e) If a foreclosure action is filed to foreclose any assessment lien, and a Lot Owner abandons or leaves vacant his or her Lot, the Board may take possession and rent the Lot or apply for the appointment of a receiver for the Lot without prior notice to the Lot Owner.

(f) The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

(g) The Association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same.

Section 4.8 Lien Priority.

(a) The lien of the Association under this Section is prior to all other liens and encumbrances on a Lot except:

- (1) liens and encumbrances recorded before the recordation of the Declaration;
- (2) a first lien security interest on the Lot (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and
- (3) liens for real estate taxes and other governmental assessments or charges against the Lot.

(b) This Section does not affect the priority of mechanics' or materialmen's liens.

(c) The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law.

(d) Sale or transfer of any Lot shall not affect the lien for assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture, shall only extinguish the lien of assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture, shall relieve any Lot from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 4.9 Owner's Negligence or Misconduct. In the event that the need for maintenance, repair, or replacement of the Property, or any portion thereof for which the Association has a duty to insure, repair, maintain or replace is caused through or by the negligent or willful act or omission or misconduct of an Owner, or the Owner's family members, agents, employees, guests, tenants, customers, or invitees, then the expenses, costs, and fees incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner. If such expenses costs and fees incurred by the Association are not repaid to the Association within thirty (30) days after the Association shall have given notice to the Owner of such expenses, costs, and fees, then the failure to so repay shall be a default by the Owner under the provisions of this Declaration. Such expenses, costs, and fees shall automatically become a Default Assessment determined and levied against such Lot, and the Association may proceed in accordance with the applicable provisions of this Article.

ARTICLE 5 DESIGN REVIEW

Section 5.1 Required Approval. No structures, including Residences, accessory buildings, flag poles, fences, walls, exterior lighting, landscaping, or any other Improvement shall be constructed, erected or installed on a Lot, nor shall any alteration or change to the exterior of the Improvements, the exterior of a Residence, to a Lot or to any structure or any attachment to the exterior of a Residence (including paint, awnings, patio slabs, fences, decks, or shutters) be commenced within the Community unless complete plans and specifications shall have been first submitted to and approved in writing by the Design Review Committee ("Committee"). The Committee may require that applications of Owners and their plans and specifications show exterior design, height, materials, color, location of the structure or addition to the structure or proposed Improvement (plotted horizontally and vertically), location and size, as well as such other materials and information as may be required by the Committee.

Section 5.2 Design Criteria. The Committee shall exercise its reasonable judgment to the end that all attachments, Improvements, construction, landscaping and alterations to Improvements on a Lot or landscaping of a Lot shall comply with the requirements set forth herein. The approval or consent of the Design Review Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious. Approval shall be based upon, but not limited to, conformity and harmony of exterior appearance of structures with neighboring structures, effect of location and use of Improvements on nearby Lots, preservation of aesthetic beauty and view corridors, and conformity with the specifications and purposes generally set out in this Declaration. Upon its review of such plans, specifications and submittals, the Design Review Committee may require that the applicant(s) reimburse the Committee or Board for actual expense incurred by it in its review and approval process.

Section 5.3 Establishment of the Design Review Committee. The Design Review Committee shall consist of a minimum of three (3) members appointed by the Board of Directors, who shall serve at the pleasure of the Board. The Board of Directors may act as the Design Review Committee in the absence of such appointments.

Section 5.4 Design Guidelines. The Committee may propose design guidelines from time to time, which guidelines may be approved by the Board of Directors and included in or with any Rules and Regulations of the Association.

Section 5.5 Reply and Communication. The Committee shall reply to all submittal of plans made in accordance herewith in writing within sixty (60) days after receipt. In the event the Design Review Committee fails to take any action on submitted plans and specifications within sixty (60) days after the Committee has received the complete plans and specifications, approval shall be deemed to be denied. All communications and submittals shall be addressed to the Committee at such address as the chairman of the Committee shall hereafter designate in writing addressed and mailed to the Owners.

Section 5.6 Variances. The Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in these covenants or in design guidelines. Such variances or adjustments shall be granted only when the granting thereof shall not be materially detrimental or injurious to the other Lots or Common Elements nor deviate substantially from the general intent and purpose of this Declaration.

Section 5.7 Right to Appeal. An Owner may appeal any decision of the Design Review Committee to the Board of Directors. The Board of Directors shall review the decision of the Design Review Committee pursuant to the criteria set forth in Section 5.2 above and the design guidelines. Any decision of the Design Review Committee may be overruled and reversed by a majority of the Directors by a written decision setting forth the reasons for the reversal when the Directors conclude that the Design Review Committee's decision was inconsistent with the criteria set forth in this Article and the guidelines.

Section 5.8 Waivers. The approval or consent of the Committee, or appointed representative thereof, to any application for design approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the Committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 5.9 Liability. The Committee and the members thereof, as well as any representative of the Board designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or to any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants.

Section 5.10 Records. The Design Review Committee shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto. Such records shall be open and available for inspection by any interested party during reasonable hours of the business day.

Section 5.11 Enforcement. Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Association shall have the right but not the obligation to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this Article, the Association shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure of the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE 6 COVENANTS AND RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 6.1 Flexible Application of the Subsequent Covenants and Restrictions. All Property within the Meadow Hills Community shall be held, used and enjoyed subject to the following limitations and restrictions. The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Board of Directors or by an appropriate committee (subject to review by the Board of Directors) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing or must be contained in written guidelines or rules.

Section 6.2 Authority. All provisions of the Governing Documents shall apply to Owners and their guests, tenants, invitees and licensees. Owners and their successors and assigns, by acceptance of a deed to their Lot, acknowledge that they have been given notice, and that:

- (a) The ability of Owners to use their Lots may be limited by the provisions in the Governing Documents.
- (b) The Board may add, delete, modify, create exceptions to, or amend use

guidelines and restrictions, or Rules and Regulations, in accordance with this Declaration and established legal principles.

(c) The Board may, from time to time, adopt and amend definitions of words, phrases and terms used in this Declaration and other Governing Documents.

(d) The Board may establish penalties for the infraction of the Governing Documents and Owners will be responsible for fines assessed against their family members, tenants, guests and invitees for violations of the restrictions.

(e) All penalties imposed are collectible as Assessments.

Section 6.3 Use. Lots shall not be used for any purpose other than a residential dwelling. Commercial and business uses with any adverse external effect on the nature, perception, operation or ambiance of the Meadow Hills Community as a first class residential Community, as reasonably determined by the Board of Directors of the Association, are prohibited.

Section 6.4 Leasing and Occupancy. Any Owner shall have the right to lease or allow occupancy of a Lot upon such terms and conditions as the Owner may deem advisable, subject to the restrictions of this Declaration, subject to restrictions of record and subject to the following:

(a) Any lease or rental agreement shall provide that the lease or rental agreement is subject to the City of Aurora ordinances regarding occupancy and the terms of this Declaration, the Bylaws of the Association, the Articles of Incorporation and the Rules and Regulations of the Association;

(b) All leases must be in writing, for a term of not less than six (6) months and must be signed by all occupants over the age of eighteen (18). No lease may be for less than the entire Lot. Every lease must include the following:

i A statement that the lessee has received a copy of the Declaration, the Bylaws and any Rules and Regulations, that the lease is subordinate to the Declaration, the Articles of Incorporation, the Bylaws and any Rules and Regulations, and that lessee agrees to comply with same.

ii An affirmative covenant of the lessee providing that failure by the lessee or the lessee's guest to comply with the terms of the lease, the Declaration, the Bylaws, the Rules and Regulations, City of Aurora ordinance or Colorado statute shall constitute a default by lessee under the lease and such default shall be enforceable by either the Association or the landlord, or by both of them.

(c) The Association shall have the authority to adopt Rules and Regulations

regarding leasing, including the implementation of this restriction, and for implementation of other restrictions in the Declaration and as allowed by law.

Section 6.5 Lots to be Maintained. Each Lot at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber, or other building materials shall be permitted to remain exposed on any Lot so that the same are visible from any neighboring Lot, the Common Elements, or any street.

Section 6.6 Antennae.

(a) Subject to federal statutes or regulations governing common interest communities, no exterior television or other antennae, microwave dish, satellite dish, satellite antenna, satellite earth station or similar device of any type shall be erected, installed or maintained on the Common Elements of the Community.

(b) Exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type subject to federal statutes or regulations governing common interest communities, may be erected entirely upon an Owner's Lot.

(c) Any exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type erected, installed or maintained by an Owner is subject to reasonable and valid safety restrictions, and reasonable restrictions as to screening of the device from view by neighboring Lots.

(d) All costs associated with the installation or maintenance of any exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type by an Owner, including costs of repair, replacement, improvement and maintenance of the structure to which such exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type is affixed, erected and/or installed upon, shall be the sole responsibility of that Owner.

Section 6.7 Nuisances. No nuisance shall be permitted within the Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Owner or which may unreasonably interfere with the peaceful enjoyment or possession or the proper use of a Lot or any Common Elements, or any portion of the Community by Owners. Further, no improper, offensive or unlawful use shall be permitted within the Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed.

Section 6.8 Vehicular Parking, Storage, and Repairs.

(a) Vehicular parking upon any Common Elements shall be regulated by the

Board of Directors.

(b) The following vehicles may not be parked or stored on the Common Elements, driveways or fire lanes unless such parking or storage is within a garage on a Lot, or unless authorized in writing by the Board of Directors of the Association: oversized vehicles, commercial vehicles, trailers, camping trailers, boat trailers, hauling trailers, boats or accessories thereto, self-contained motorized recreational vehicles, or other oversized types of vehicles or equipment as prohibited by rule or regulation. This restriction shall not apply to trucks or other commercial vehicles temporarily located within the Community which are necessary for construction or for the maintenance of any Common Elements, Lots, or any Improvement located thereon.

(c) No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked on a Lot or within the Community unless parked or stored within a garage. An "abandoned or inoperable vehicle" shall be defined by Colorado statutes governing inoperable or abandoned vehicles on public streets, or as defined by rule or regulation adopted by the Board of Directors of the Association. In the event that the Association shall determine that a vehicle is an abandoned or inoperable vehicle, then a written notice describing said vehicle shall be personally delivered to the Owner thereof or shall be conspicuously placed upon the vehicle. If the abandoned or inoperable vehicle is not removed within seventy-two (72) hours after providing such notice, the Association shall have the right to remove the vehicle, and the owner thereof shall be solely responsible for all towing and storage charges.

(d) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer or boat, may be performed or conducted outside of garages.

Section 6.9 Use of Common Elements. There shall be no obstruction of any Common Elements, nor shall anything be kept or stored on any part of any Common Elements without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from any Common Elements without the prior written approval of the Association. The Association shall be responsible to maintain, repair, replace and improve any Common Elements and any Improvements located thereon.

Section 6.10 No Annoying Lights, Sounds or Odors. No light shall be emitted from any portion of the Community which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any portion of the Community which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the Community except with the prior written approval of the Board of Directors.

Section 6.11 Outside Burning/Precaution for Fire Hazards. There shall be no exterior fires, except for conventional barbecues and fires in outdoor fireplaces. No Owner or Owners shall permit any condition on his Lot or Lots which creates a fire hazard or is in violation of applicable fire prevention regulations.

Section 6.12 No Hazardous Activities. No activity shall be conducted on and no Improvement shall be constructed on any Property within the Community which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property within the Community and no open fires shall be lighted or permitted on any Property within the Community except in a contained barbeque unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent dispersal of burning embers.

Section 6.13 Restrictions on Animals and Pets.

(a) Pets, including cats, dogs, birds, reptiles, or other animals, hereinafter for brevity termed "animal," may be kept, maintained or harbored within a Lot, if the animal is not obnoxious to other Owners or occupants.

(b) Animals must be attended at all times while on Common Elements or within a garage.

(c) Owners or occupants must immediately pickup after their animals on Common Elements.

(d) If an animal is found to be obnoxious after investigation into such a complaint, the Lot Owner or person having control of the animal shall be given a written notice to correct the problem.

(e) If the problem is not corrected, that Lot Owner, upon a second written notice, will be required to remove the animal from the Community.

(f) The written notices provided for herein shall be issued by the authorized representative of the Association or, if there is no authorized representative then by one or more of the members of the Board of Directors of the Association.

(g) Animals may not be kept for any commercial purposes.

(h) Lot Owners shall hold the Association harmless from any claim resulting from any action of their animals.

Section 6.14 Restriction on Signs and Advertising Devices. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the

Community except such sign or signs as may be approved in writing by the Board of Directors or as permitted in other provisions of this Article, the Act, or the Rules and Regulations of the Association.

Section 6.15 Trash Removal Restriction. No garbage, refuse, rubbish, or cuttings shall be deposited on any street, road or any Common Elements or on any Lot. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All garbage cans, trash cans or receptacles shall be kept at all times within the garage

ARTICLE 7 PARTY WALLS

Section 7.1 Definition. For purposes of this Article 7, "Party Wall" shall mean and refer to any wall which is part of the original construction of the structures located on Lots and is placed on or immediately adjacent to a Lot line and which separates two (2) or more structures.

Section 7.2 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply.

Section 7.3 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of a Party Wall in proportion to such use.

Section 7.4 Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, insurance provisions contained in Article 9 below shall apply.

Section 7.5 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 7.6 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.

Section 7.7 Arbitration. In the event of any dispute arising concerning a Party Wall, under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request to do so by an Owner, the Board of Directors of the Association shall select an arbitrator for the refusing party. The parties to the arbitration shall share the costs of the arbitration, but each party shall pay its own attorneys' fees.

**ARTICLE 8
EXTERIOR MAINTENANCE**

Section 8.1 General. The Association shall provide exterior maintenance upon the structures of each Lot which is subject to assessment the nature and extent of such maintenance as may be established from time to time by the Board of Directors as follows:

- (a) repair, replacement and care of roofs and roof mounted skylights;
- (b) repair, replacement and care of gutters and downspouts;
- (c) paint, repair, replacement and care of exterior siding, and trim;
- (d) maintenance, repair, and replacement of sidewalks and driveways;
- (e) staining of deck railings and balusters;
- (f) maintenance and replacement of landscaping, except within individual patio areas; and
- (g) such exterior maintenance shall not include repair, replacement or care of doors or door frames, windows or window frames (except for roof mounted skylights), the garage door and garage service door except for painting; and shall not include horizontal surfaces of decks, patios, or any improvements, additions or modifications installed by Owners.

Section 8.2 Owners Maintenance Responsibility. Owners shall be solely responsible for maintenance, repair and replacement of the following on Lots:

- (a) Utility lines serving only that Lot within the Lot, including sewer lines;
 - (b) All plumbing and electrical installations and fixtures;
 - (c) Chimneys, flues and vents;
 - (d) All structural components of Improvements on the Lots, including decks and foundations;
 - (e) Residence doors, door frames, windows and window frames (except for roof mounted skylights), including garage doors, except for painting;
 - (f) Interior furnishings, fixtures and finishing, including but not limited to, cabinets, counters, appliances, drywall, and floor, wall, and ceiling materials;
 - (g) Pest control, including but not limited to, pigeons, squirrels, ants and bees;
- and
- (h) Mailbox keys and locks for mailbox assigned to the Lot.

Section 8.3 Owner's Failure to Maintain Lot. In the event any Owner fails to maintain a Lot to the standard of the surrounding Lots, the Association, after fifteen (15) days written notice, may enter upon the Lot, perform such maintenance as necessary, and assess the Owner thereof as a Default Assessment.

Section 8.4 Owner's Negligence.

- (a) Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance or repair of the Common Elements, a Lot, or any

improvements located thereon, is caused by the willful or negligent act or omission of any Owner, or the willful or negligent act of any Owner's family members, guests, tenants, or invitees, the cost of such repair or maintenance shall be a Default Assessment against the Owner and the Owner's Lot.

(b) A determination of the negligence or willful act or omission of any Owner, or Owner's family members, guests, tenants, or invitees, and the amount of the Owner's liability therefor, shall be determined by the Association at a hearing after notice to the Owner.

ARTICLE 9 INSURANCE/CONDEMNATION

Section 9.1 Insurance on the Lots. Each Owner shall obtain adequate hazard and liability insurance covering loss, damage or destruction by fire or other casualty to the personal property of that Owner, and all fixtures, furnishings, and interior finishing within the Townhouse, installed by Owners, including, but not limited to, upgrades, additions, modifications, and any injuries occurring to the persons while on a Lot. The liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such insurance carried by Lot Owners and the Association's insurance shall be primary.

Section 9.2 Insurance Carried by the Association. The Association shall obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth herein and as set forth in the Act, which insurance coverage shall include the following terms and shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado:

(a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Owner and shall provide that such policies may not be canceled or modified without at least thirty (30) days' prior written notice to all of the Owners, Eligible Holders, and the Association.

(b) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to Eligible Holders at least ten (10) days prior to the expiration of the then-current policies.

(c) All liability insurance shall name the Association, the Board, the manager or managing agent, if any, the officers of the Association, holders of first lien security interests, their successors and assigns and Owners as insureds.

(d) Prior to the Association obtaining any blanket policy of casualty insurance on the structures on Lots and any Common Elements, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the structures on Lots and any Common Elements and any

improvements thereon, without deduction for depreciation, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall the Association's casualty insurance policy contain a coinsurance clause.

(e) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Section 9.3 Hazard Insurance on Lots and Common Elements.

(a) The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to any structures on Lots, and any improvements installed or made to any Common Elements and the other property of the Association for the full replacement value without deduction for depreciation.

(b) Hazard insurance covering the structure(s) located on each Lot shall not include coverage for land, foundation, excavation and other items normally excluded from coverage, and shall include coverage for replacement value of the structure(s) including original specifications of construction, but excluding all furnishings, personal property, and any upgrades, additions or modifications installed by Owners, which are the Owner's sole responsibility to maintain, repair, replace and insure.

Section 9.4 Association Liability Insurance. The Association shall obtain adequate public liability and property damage liability insurance covering any Common Elements, in such limits as the Board may determine from time to time, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries and operation of automobiles on behalf of the Association.

Section 9.5 Association Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

Section 9.6 Association Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 9.7 Officers' and Directors' Personal Liability Insurance. The Association shall obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association.

Section 9.8 Other Association Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 9.9 Insurance Premium. Except as assessed in proportion to risk, insurance premiums for insurance provided by the Association shall be a Common Expense to be included as a part of the annual Assessments levied by the Association.

Section 9.10 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required.

Section 9.11 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association and not to any Owner or holder of a first lien security interest. By acceptance of a deed for a Lot within the Association, an Owner thereby specifically assigns the rights afforded to Owners to file claims against the Association's insurance policy under C.R.S. §10-4-110.8(5) to the Association. The Association shall hold any insurance proceeds in trust for the Association, Owners and holders of first lien security interests as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association is not entitled to retain any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 9.12 Duty to Repair. Any portion of the Community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association or the Owner as appropriate, except as provided in the Act.

Section 9.13 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record and pursuant to the Act.

Section 9.14 Responsibility for Payment of Deductible Amount. Whether the Board, in its discretion, chooses to submit a claim under the Association insurance policies or not, the payment of the deductible amount for claims which the Association is responsible for insuring shall be as follows:

(a) The Association shall pay or absorb the deductible amount for any work, repairs or reconstruction for damage to Common Elements unless the damage is caused by the negligent or willful act or omission of an Owner, his family, guests, tenants, or invitees, in which case the Association shall seek reimbursement of the deductible amount in compliance with and under the terms of the Declaration.

(b) Any loss falling within the deductible portion of the Association policies to property of Owners shall be paid or absorbed by the Owners of the Lots involved in the same proportion as each Owner's claim bears to the total amount of insurance proceeds paid for the occurrence.

ARTICLE 10 SPECIAL RIGHTS OF HOLDERS OF FIRST LIEN SECURITY INTERESTS

Section 10.1 General Provisions. The provisions of this Article are for the benefit of holders, insurers, or guarantors of holders of first lien security interests recorded within the Community. To the extent applicable, necessary or proper, the provisions of this Article apply to this Declaration and to the Articles and Bylaws of the Association. A holder, insurer or guarantor of a first lien security interest who has delivered a written request to the Association containing its name, address, the legal description and the address of the Lot upon which it holds a security interest shall be considered an "Eligible Holder." Eligible insurers and guarantors of a first lien security interest shall have the same rights as Eligible Holders.

Section 10.2 Special Rights. Eligible Holders shall be entitled upon request to:

- (a) examine the books and records of the Association during normal business hours;
- (b) receive a copy of financial statements of the Association, including any annual audited financial statement;
- (c) receive written notice of all meetings of the Members of the Association;
- (d) designate a representative to attend any such meetings;
- (e) written notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(f) written notice of abandonment or termination of the Association of the plan contemplated under this Declaration;

(g) thirty (30) days' written notice prior to the effective date of any proposed, material amendment to this Declaration, the Articles of Incorporation, or the Bylaws;

(h) thirty (30) days' written notice prior to the effective date of termination of professional management of the Association or the Common Elements, when professional management had been required previously under the legal documents for the Community or by an Eligible Holder; and

(i) immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Common Elements or to the Lot on which the Eligible Holder holds a security interest, if the cost of reconstruction exceeds Twenty Thousand Dollars (\$20,000.00) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements or any Lots.

Section 10.3 Special Approvals. Unless at least fifty-one percent (51%) of the Eligible Holders of first lien security interests (based on one (1) vote for each mortgage owned) of Lots in the Association and requisite Lot Owners have given their written approval, neither the Association nor any Member shall:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or any Improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utility easements, drainage easements and water facilities easements or easements for other public purposes consistent with the intended use of such Real Estate by the Association shall not be deemed within the meaning of this provision);

(b) change the method of determining the obligations, Assessments or other charges which may be levied against Members or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards;

(c) by act or omission change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to design approval of improvement of Lots, including the architectural design of the exterior appearance of Lots, or the upkeep of the Common Elements;

(d) fail to maintain the casualty, fire and extended coverage insurance as elsewhere provided in this Declaration;

(e) use hazard insurance proceeds for losses other than the repair, replacement or reconstruction of the Improvements which were damaged or destroyed;

- (f) take action to terminate the legal status of the Community after substantial destruction or condemnation occurs;
- (g) amend any material provision of this Declaration; and
- (h) establish self-management by the Association when professional management has previously been required by the legal documents for the Community or by an Eligible Holder.
- (i) An amendment shall not be deemed material if it is for the purpose of correcting technical errors, or for clarification only.
- (j) If an Eligible Holder of a first lien security interest receives written request for approval of the proposed act, omission, change or amendment by certified or registered mail, with a return receipt requested, and does not deliver or post to the requesting party a negative response within thirty (30) days, it shall be deemed to have approved such request.

Section 10.4 Right to Pay Taxes and Insurance Premiums. Any holder of a first lien security interest shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against a Lot or any of the Common Elements and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Elements or Lots.

ARTICLE 11 GENERAL PROVISIONS

Section 11.1 Enforcement. Except with regard to design approvals and design review, the Association or an Owner may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorneys' fees incurred in enforcing these covenants, or to restrain such violation or attempted violation. Failure of the Association or of any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 11.2 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 11.3 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 11.4 Amendment of Declaration by Owners. Any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of at least sixty-seven percent (67%) of the Owners in the Association, fifty-one percent (51%) of Eligible Holders, and with the written consent of the Association. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Arapahoe County, Colorado, of a certificate setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

Section 11.5 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 11.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Lots and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 11.7 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 11.8 Challenge to this Amendment. All challenges to the validity of the amendments must be made within one (1) year after the date or recording of this document. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 11.9 Non-Waiver. Any forbearance or failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration or of any subsequent enforcement of such provision.

Section 11.10 Conflict of Provisions. In case of conflict between this Declaration and the Articles or Bylaws, this Declaration shall control. In the case of conflict between the Articles and Bylaws, the Articles shall control.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned, being the President and the Secretary of Meadow Hills Homeowners Association, Inc., hereby certify that the Association has obtained written approval of this Amended and Restated Declaration from Owners of at least sixty-seven percent (67%) of the Owners in the Association or alternatively, a court order entered by the District Court for Arapahoe County, Colorado, pursuant to C.R.S. §38-33.3-217(7), has been entered approving this Declaration.

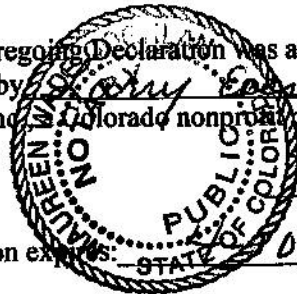
Dated FEB, 19, 2008.

**MEADOW HILLS
HOMEOWNERS ASSOCIATION, INC.**

By: William C. Bates President
Glenn J. Bree Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Declaration was acknowledged before me by William Bates, as President and by Glenn J. Bree, as Secretary, of Meadow Hills Homeowners Association, Inc., a Colorado nonprofit corporation, on this day 19 of February, 2008.



Maurice H. Coglano Notary Public
My commission expires 10-08