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DECLARATION OF COVENANTS AND RESTRICTIONS OF THRAEMOOR IN THE PARK TOWNHOMES

THIS DECLARATION made this 29 day of October, 1999, by

1-16

ON THE HILL DEVELOPMENT, INC., a Colorado corporation (hereinafter "Declarant");

RECITALS

A. Declarant is the owner of that real property described as:

BLOCK 1,
THRAEMOOR IN THE PARK TOWNHOMES
COUNTY OF JEFFERSON,
STATE OF COLORADO.

B. Declarant desires to create upon the Properties a residential townhome community with permanent open spaces and common facilities for the benefit of the residents living within the Properties.

C. Declarant desires to provide for the preservation of the values and amenities in the Properties and for the maintenance of said open spaces and other common facilities; and to this end, desires to subject the Properties to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of the Properties and each Owner living thereon.

D. Declarant has deemed it desirable for the efficient preservation of the values and amenities in the Properties to create an agency to which should be delegated and assigned the powers of maintaining and administering the Common Properties and facilities and administering and enforcing the Covenants and Restrictions.

E. Declarant has caused a not for profit homeowners association to be incorporated under the laws of the State of Colorado, as for the purpose of exercising the functions aforesaid.

DECLARATION

NOW, THEREFORE, the Declarant declares that the real property described as:

BLOCK 1,
THRAEMOOR IN THE PARK TOWNHOMES,
COUNTY OF JEFFERSON
STATE OF COLORADO,

is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth. This real property shall be a cooperative common interest community as defined by the Colorado Common interest Ownership Act. Declarant reserves the right to create 70 units upon the Properties. Declarant reserves special development rights with respect to Lot 70, described below. The Properties, including the individual units are subject to the easements and restrictions set forth in the plat recorded in the real property records of Jefferson County, Colorado at Book 134, Page 56, Reception Number F0391032.

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ARTICLE I
DEFINITIONS

SECTION 1. The following words when used in this Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

A. " Association" shall mean and refer to the THRAEMOOR IN THE PARK TOWNHOMES ASSOCIATION, its successors and assigns.

B. "The Properties" shall mean and refer to the real property described as:

BLOCK 1,
THRAEMOOR IN THE PARK TOWNHOMES,
COUNTY OF JEFFERSON,
STATE OF COLORADO,

which is subject to this Supplemental Declaration.

C. "Common Properties" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Properties to be owned by the Subassociation at the time of the conveyance of the first Lot is described as follows:

BLOCK 1,
THRAEMOOR IN THE PARK TOWNHOMES,
EXCEPT LOTS 1 Through 70,
COUNTY OF JEFFERSON,
STATE OF COLORADO.

D. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Properties as heretofore defined.

E. "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 part of the Properties, including contract

sellers, but excluding those having the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. 3

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

G. "Architectural Committee" shall mean the Committee appointed pursuant to Article VIII.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

SECTION 1. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is described above, and referred to as "the Properties".

ARTICLES III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

SECTION 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. 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 Lot shall be the sole qualification for membership.

SECTION 2. Voting Rights. Members shall be all those Owners as defined in Section 1. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1. When more than one person holds such interest or interests in any Lot all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

Notwithstanding the foregoing, there shall be reserved to Declarant a period of declarant control of the Association, during which period Declarant, or its designees may appoint the officers and members of the executive board of the Association. This period of declarant control shall commence upon the incorporation of the Association, and shall continue until sixty (60) days after conveyance of seventy-five (75) percent of the units that may be created to unit owners other than the Declarant.

SECTION 3. Powers. The Association shall have all of the powers of a unit owners association set forth in the Colorado Common Interest Ownership Act, as well as any other powers set forth in these Declarations.

ARTICLE IV.
ANNEXATION OF ADDITIONAL PROPERTIES

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SECTION 1. Annexation of additional property shall require the assent of two-thirds (2/3) of the Class A Members and two-thirds (2/3) of the Class B Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds of the Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat. Annexation under this Section requires that consent of two-thirds (2/3) of each class of Members.

ARTICLE V
PROPERTY RIGHTS IN THE COMMON PROPERTIES

SECTION 1. Members' Easement of Enjoyment. Subject to the provisions of Section 3, every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot.

SECTION 2. Title to Common Properties. The Declarant agrees to convey title to the Common Properties to the Association free and clear of all liens and encumbrances prior to the conveyance of any Lot described herein.

SECTION 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

A. The right of the Association, as provided in its Certificate of Incorporation and By-Laws, to suspend the voting rights and right to use of recreational facilities by a Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

B. The right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at

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least ninety (90) days in advance of any action taken.

C. The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage said Common Properties and the rights of such mortgagee in said Common Properties shall be subordinate to the rights of the Members hereunder.

SECTION 4. Delegation of rights. Any Member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Properties to his tenants, or contract purchasers who reside on the Property.

ARTICLE VI
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of Lien and personal Obligation of Assessments and Special Assessments. Declarant for each Lot owned within the Properties shall be deemed to covenant and agree, and each Owner of any Lot, except those exempt under Section 10 of this Article, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association monthly assessments or charges and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, and said amounts shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment or special assessment is made. Each such assessment and special assessment, together with such interest thereon, cost of collection and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment or special assessment fell due. The personal obligation for delinquent assessment or special assessment shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Properties and in particular for the improvement and maintenance of the Properties, and for services and facilities devoted to these purposes and related to the use and enjoyment of the Common Properties and of the homes situated upon the Properties.

SECTION 3. Basis and Maximum of Annual Assessments. The Board of Directors shall fix the monthly assessment within the maximum amount and may raise or lower said monthly assessment amount within said maximum as they may deem necessary in their discretion. The initial monthly assessment is established at $200.00 for each Lot.

Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment shall be $350.00 per Lot.

From and after January 1 of the year immediately following the conveyance of the first Lot to an

Owner, the maximum monthly assessment shall be adjusted in conformance with the Consumer Price Index (CPI) published by the U.S. Department of Labor, specifically the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average, All Items unadjusted for seasonal variation. The maximum monthly assessment for any year shall be the amount determined by: 6

A. Taking the maximum monthly assessment dollar amount specified above;

B. Multiplying that amount by the published CPI number for the fourth month prior to the beginning of the subject year; and

C. Dividing that resultant by the published CPI number for the fourth month prior to the month in which this Supplemental Declaration was signed by the Declarant.

SECTION 4. Change in Basis and Maximum of Annual Assessments. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment amount specified above in Section 3, Article VI, and used in the above CPI adjustment formula may be changed by a vote of the Members, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

SECTION 5. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, or upon the Properties, including the necessary fixtures and personal property related thereto, provided, that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

SECTION 6. Uniform Rate of Assessment. Both monthly and special assessments must be fixed at a uniform rate for all Lots, provided, that, the rate set for the Lots owned by Declarant shall be fixed at one-fourth (1/4) the assessment rate for the other Lots.

SECTION 7. Quorum for any Action Authorized Under Section 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting 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 forthcoming at any meeting another meeting may be called subject to the notice requirements set forth in Sections 4 and 5 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 8. Date of Commencement of Monthly Assessments: Due Dates. The monthly assessments provided for herein shall commence as to all Lots on the first day of month following the conveyance of the Common Properties. The Board of Directors shall fix the amount of the monthly assessment at least thirty (30) days in advance of said commencement date and any change in the monthly assessment must be fixed by the Board of Directors at least thirty (30) in advance of the commencement of the changed assessment amount. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificate shall be conclusive evidence of the facts stated herein.

SECTION 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of the Association. If the assessments are not paid on the date when due (being the dates specified in Section 8 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquent date, the assessment shall bear interest from he date of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the Court together with the costs of the action.

No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties of abandonment of his Lot.

SECTION 10. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments, charges and liens created herein:

A. All properties to the extent of any easement of other interest therein dedicated and accepted by the local public authority and devoted to public use.

B. All Common Properties as defined in Article I, Section 1, hereof.

SECTION 11. Creation of Lien and Personal Obligation for Charges. Each Owner of any Lot mentioned in Sections 11 and 12 above, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay to the Association all charges set forth in Sections 11 and 12 above, together with such interest amounts shall be a charge on the land and shall be a continuing lien upon the property against which each of said charges is made. Each said charge, together with interest thereon, cost of collection and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the said charges fell due. The personal obligation for delinquent charges shall not pass to his successors in title unless expressly assumed by them.

If the said charges are not paid within ten (10) days from the statement date, then such charge shall become delinquent and shall, together with such interest thereon and cots of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such Lot in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such charges, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the said charges are not paid within ten (10) days after the statement date, the charges shall bear interest from the statement date at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of said charges the cost of preparing and filing the complaint in such action and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the Court, together with the costs of this action.

No owner may waive or otherwise escape liability for the charges provided in said Sections 11 and 12 by abandonment of his Lot.

SECTION 12. Subordination of the Assessment Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a first mortgage of record (including deed of trust) and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not. The lien of such assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado law. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead exemption as against said assessment lien. Sale or transfer of any Lot shall not affect the liens for said charges except that sale or transfer of

any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, including deed in lieu of foreclosure or cancellation or forfeiture of an executory land sales contract shall extinguish the lien of such charges as to payments which become due prior to such sale, transfer or cancellation or forfeiture of executory land sales contract. No sale or transfer, or cancellation or forfeiture of executory land sales contract shall relieve such Lot from liability for any such charges thereafter becoming due or from the lien thereof. 9

ARTICLE VII
PARTY WALLS

SECTION 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omission shall apply thereto.

SECTION 2. 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 the wall in proportion to such use.

SECTION 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omission.

SECTION 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

SECTION 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

SECTION 6. Arbitration. In the event of any dispute arising concerning a party wall, or 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 the arbitrators.

ARTICLE VIII
ARCHITECTURAL COMMITTEE

SECTION 1. Creation. There shall be appointed by the governing board the Association a Committee to review proposed construction and maintenance upon the properties, and to enforce

these covenants and declarations.

SECTION 2. Review by Committee. No structure, whether residence, accessory building, tennis court, swimming pool, antennae (on a structure or on a Lot), flag poles, fences, walls, exterior lighting, or other improvements, shall be constructed or maintained upon any Lot and no alteration or repainting to the exterior of a structure shall be made and no landscaping performed unless complete plans, specifications, and lot plans therefore, showing the exterior design, height, building material and color scheme thereof, the location of the structure plotted horizontally and vertically, the location and size of driveways, the general plan of landscaping, fencing, walls and windbreaks, and the grading plan shall have been submitted to and approved in writing by the Architectural Committee in accordance with Article VIII of the Master Declaration.

SECTION 3. Discretion. The Architectural Committee shall exercise its best judgment to see that all improvements, construction, landscaping and alterations on lands within the Properties conform to and harmonize with existing surroundings and structure.

ARTICLE IX
COMMON SCHEME RESTRICTIONS

SECTION 1. Restrictions. The following restrictions are imposed as a common scheme upon Lots and Common Properties for the benefit of each other Lot and Common Properties, and may be enforced by any Owner of a Lot or of the Common Properties.

No garbage, refuse, rubbish, or cuttings shall be deposited on any street, road, or Common Properties, and not on any Lot unless placed in a suitable container suitably located.

No building material of any kind or character shall be placed upon any Lot except in connection with construction approved as hereinafter provided. As soon as building materials are placed on any Lot in such connection, construction shall be promptly commenced and diligently prosecuted.

No clothes lines, drying yards, service yards, wood piles or storage areas shall be so located as to be visible from a street, road or Common Properties.

When furnished, only those house numbers and mail boxes which are installed by the Major Developer shall be used and maintained in the Properties.

Any exterior lighting installed on any Lot shall either be indirect or such controlled focus and intensity as not to disturb the residents of the adjacent property.

Ornamental posts shall be designed to be in keeping with the lighting fixtures at the street or road corners.

No animals or poultry shall be kept on any Lot within the Properties except ordinary household

pets belonging to the household. Only signs advertising the sale or rental of a Lot and which are approved by the Architectural Committee shall be allowed in the Properties. //

No used or previously erected or temporary house, structure, house trailer or non-permanent outbuildings shall ever be placed, erected or allowed to remain on any Lot within the Properties except during construction.

Boats, trailers, trucks, campers, recreational vehicles, motorhomes or commercial vehicles shall not be parked or maintained in the Properties; however, this restriction shall not restrict trucks or commercial vehicles making pickups or deliveries to or in the Properties, nor shall this restriction restrict trucks or commercial vehicles within the Properties which are necessary for the construction of residential dwellings or maintenance of the Common Properties, nor shall this restriction prohibit the temporary (twenty-four (24) hour) parking of campers, boats, recreational vehicles, or motorhomes by members for loading or unloading, nor shall this prohibit the parking of one ton or smaller pick-up trucks for personal use by members.

Abandoned and decrepit motor vehicles shall not be permitted upon the Properties.

None of the Lots may be improved, used or occupied for other than private single family residential purposes, other than the Common Properties; however, the Major Developer may use one or more Lots for temporary office building, and use the same as an office building the development and sale of the Lots.

No structure shall be built upon any Lot that exceeds a height of forty (40) feet.

No exterior radio or television antenna or aerial shall be erected or maintained on the Properties without the prior written approval of the Architectural Committee.

No Lot or Common Area, except Lot 70, shall be further divided or subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof (including the Association) without the prior written approval of the Architectural Committee.

No sign of any kind shall be displayed to the public view without the approval of the Architectural committee.

No rubbish or debris of any kind shall be placed or permitted to accumulate upon any property within the Properties and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other property or to its occupants. No noise or other nuisance shall be permitted to exist upon any such property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the

Board.

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No improvement hereafter constructed upon any land within the Properties shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner (including any Association) thereof.

There shall be no construction, excavation, alteration which in any way alters the exterior appearance of any improvement, or removal of any improvement without the prior approval of the Architectural Committee, except for repairs in the ordinary course of business.

There shall be no violation of the Thraemoor in the Park Restrictions once adopted and made available to the persons affected thereby. If any Owner or his family or any guest, licensee, lessee or invitee of such Owner or his family violates the Thraemoor in the Park Restrictions, the Board may invoke any one or more of the following remedies: (a) impose a special charge upon such Owner of not more than Fifty Dollars for each violation; (b) suspend the right of such Owner and his family, guests, licensees, lessees and invitees to use Association Property under such conditions as the Board may specify, for a period of not to exceed thirty days for each violation; (c) cause the violation to be cured and charge the cost thereof to such Owner; and (d) obtain injunctive relief against the continuance of such violation. Before invoking any such remedy, the Board shall give such Owner Notice and Hearing except that the Board may suspend the right of any Owner and his family, guests, licensees, and invitees without Notice and Hearing for any period during which any Assessment owed by such Owner is past due and unpaid. Any assessment or charge imposed under this Section 8, which remains unpaid for a period of ten days or more, shall become a lien upon the Owner's Unit and may be collected as provided in Article IX below for the collection of other Assessments. The duties and powers of the Board pursuant to this section may be delegated to a committee of Members, directors or both.

There shall be no interference with the established drainage patterns over any property within the Properties except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural Committee.

No activities shall be conducted on any property and no improvements constructed on any property which are or might be unsafe or hazardous to any person or property.

No tent or shack or other temporary building, improvement, or structure shall be placed upon any property, except that, temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained with the prior approval of Declarant, such approval to include the nature, size and location of such structure.

No property shall be used for the purposes of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand,

gravel, aggregate or earth.

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The use of all vehicles, including but not limited to helicopters, gliders, trucks, automobiles, graders, boats, tractors, pickups, mobile homes, trailers, buses, campers, recreational vehicles, bicycles, motorcycle, motor scooters, wagons, sleighs and snowmobiles, shall be subject to the Thraemoor in the Park Rules which may prohibit or limit the use thereof within specified parts of Thraemoor in the Park, and which may also provide parking regulations and adopt other rules regulating the same.

This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of improvements by any Owner (including Declarant) upon the Properties, provided that when completed such improvements shall in all ways conform to this Declaration. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence, is in compliance with applicable federal, state and local laws and ordinances and any rules and regulations adopted pursuant thereto, and conforms to usual construction practices in the area. In the even of any dispute, a temporary waiver of the applicable provision, including but not limited to any provision prohibiting temporary structures, may be granted by the Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction. Such waiver may, but need not, be recorded or in recordable form. No construction activities shall be carried on in such a way as to create a health hazard or unreasonably interfere with the use and enjoyment by any homeowner or his family of the homeowner's home.

Notwithstanding anything in this Master Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to control of or under the jurisdiction of the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements to maintain model homes and construction, sales and leasing offices and similar facilities and to post signs incidental to construction, sales and leasing, all anywhere on the Properties, provided, however, that no such activities shall be carried on in such a way as to create a health hazard or unreasonably interfere with the use and enjoyment by any homeowner or his family of the homeowner's home.

ARTICLE X
RESERVATION OF SPECIAL DECLARANT RIGHTS

SECTION 1. Development. Declarant shall have sole right of development of units upon the Properties through and including December 31, 2001. In addition, due to the unique nature of Lot 70, the Declarant, or in the event that Lot 70 has never been owned by Declarant, the owner

of Lot 70 shall have the sole right to develop Lot 70, subject only to the restrictions contained upon the plat recorded in the real property records of Jefferson County, Colorado, at Book 134, Page 56, Reception Number F0391032. Lot 70 is intended to be developed for one or two detached single family residences. 14

SECTION 2. Authority of the Architectural Control Committee. Notwithstanding the provisions of Article VIII, above, the Declarant, or in the event that Lot 70 has never been owned by Declarant, the owner of Lot 70 shall not be subject to the approval of the Architectural Control Committee for the initial construction of the residences built upon Lot 70.

ARTICLE XI
GENERAL PROVISIONS

SECTION 1. Duration. The Covenants and Restrictions of this Declaration shall run with and bind the land, and shall inure to the benefits of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument terminating these Covenants and Restrictions signed by the then Owners of seventy-five percent (75%) of the Lots has been recorded prior to the commencement of any ten (10) year period.

SECTION 2. Amendments. These Covenants and Restrictions may be amended during the first twenty (20) years from the date of the Declaration, 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 (75%) of the Lot Owners, Any amendment must be properly recorded.

SECTION 3. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

SECTION 4. Construction Easement. If any portion of an exterior wall of a residence is situated within three (3) feet of any adjoining Lot line, a valid easement shall and does exist, three (3) feet in width along the adjoining Lot and adjacent to the said Lot line which easement may be used for the purpose of construction, reconstruction and maintenance of said exterior wall of a residence that is situated within three (3) feet from the nearest point of said easement. The Owner of any Lot subject to this easement shall not erect or build any structure upon or over said easement which will interfere with the purposes of said easement.

SECTION 5. Encroachment Easement. If any exterior wall of a residence shall be constructed in a manner in which it encroaches upon any other Lot or upon the Common Properties, a valid easement shall exist for such structure for as long as such structure shall exist, and no Member or

the Association shall interfere with such easement.

SECTION 6. Maintenance Easement. If any portion of a residence encroaches upon the Common Properties or upon the easement of any adjoining Lot established under the provisions of Sections 4 and 5 above, a valid easement on the surface and for sub-surface support below such surface and for the maintenance of same, so long as its stands, shall and does exist.

SECTION 7. Insurance, Management Contracts, Conflicts, Declaration, Articles, Bylaws.

A. The Declarant and the Association shall comply with the provisions of the Colorado Common Interest Ownership Act with respect to the maintenance of insurance upon the Properties.

B. Each and every management contract made between the Association and a manager or managing agent during the period when the Declarant or other developer controls the Association shall terminate absolutely, and in any event, no later than thirty (30) days after the termination of control by the Declarant or other developer of the Association. All such management contracts entered into by the Association with a manager or managing agent during the period of control by the Declarant or developer shall be subject to review and approval by the Veterans Administration. The provisions of this paragraph shall be contained, verbatim, in each and every of such management contracts.

C. In case of conflict between the Declaration and the Articles of Incorporation or the Bylaws the Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

SECTION 8. Enforcement. Enforcement of these Covenants and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any Covenants and Restrictions, either to restrain violation or to recover damages, and against the land to enforce any lien created by these Covenants; and failure by the Association or any Owner to enforce any Covenant or Restriction therein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 9. 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.

On the Hill Development, Inc.
A Colorado corporation.

By _____
President

ATTEST:

Secretary

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STATE OF COLORADO)
) ss
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 8th day of November 1999, by Jack Howard as President and Tammy Howard as Secretary of On The Hill Develp., a Colorado corporation.

Witness my hand and official seal.

My Commission Expires: My Commission Expires 10/28/2001

Notary Public

STATE OF COLORADO)
) ss
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 9th day of Nov., ____, by Ryan E. Kowalski as Executive Vice President and _____ as Secretary of Mega Bank, a corporation.

Witness my hand and official seal.
My Commission Expires:
My Commission Expires 08-12-2001

Notary Public

Holder of First Deed of Trust

Mega Bank, ~~National Association~~

Vice - President

Secretary