

DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
OF
MANCHESTER PLACE

BOOK 7465 PAGE 108

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS of Manchester Place (the "Declaration") is made as of March 18th, 1994, by Manchester Place, Ltd., a Colorado limited partnership ("Declarant").

RECITALS

A. Declarant is owner of that certain real property located in Arapahoe County, Colorado, more particularly described on the attached Exhibit A (the "Property").

B. Declarant desires to create a Planned Community pursuant to the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statutes 38-33.3-101 et. seq. (the "Act") on the real estate described in Exhibit A, the name of which is Manchester Place.

ARTICLE I
DECLARATION AND SUBMISSION

Declarant hereby declares that the Property shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions and easements which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Property. Additionally, Declarant hereby submits the real estate to the provisions of the Act.

ARTICLE II
NAME, DIVISION INTO LOTS

Section 2.1. Name. The name of the project is Manchester Place. The project is a Planned Community pursuant to the Act.

Section 2.2. Association. The name of the association is Manchester Place Homeowners Association, Inc. Declarant has caused the Association to be incorporated under the laws of the State of Colorado as a non-profit corporation with the purpose of exercising the functions as herein set forth.

Section 2.3. Number of Lots. The number of Lots in the project is forty (40). The Declarant reserves no rights to create additional Lots.

Section 2.4. Identification of Lots. The identification number of each Lot is shown on the Plat recorded for Manchester Park Subdivision, Filing No. 1.

ARTICLE III DEFINITIONS

Section 3.1. Definitions. The following words when used in this Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:

- A. "Annual Assessment" means the Assessment levied annually.
- B. "Architectural Control Committee" means and refers to the Architectural Control Committee defined in and created pursuant to Article XV below.
- C. "Articles" mean the Articles of Incorporation for Manchester Place Homeowners Association, Inc., currently on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.
- D. "Assessments" mean the Annual, Special, and Default Assessments levied pursuant to Article XI below. Assessments are further defined as a Common Expense Liability as defined under the Act.
- E. "Association" means Manchester Place Homeowners Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.
- F. "Association Documents" means this Declaration, the Articles of Incorporation, and the Bylaws of the Association, and any procedures, rules, regulations, or policies adopted by the Association under such documents by the Association.
- G. "Board"; "Board of Directors" means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Property and all improvements on the Property.
- H. "Bylaws" means the Bylaws adopted by the Association, as amended from time to time.
- I. "Common Area" means all the real property and improvements thereon, including, without limitation, the perimeter fence, if any, in which the Association owns an interest for the common use and enjoyment of all of the Owners on a non-exclusive basis. Such interest may include, without limitation, estates in fee, for terms of years, or easements. Common Area is further defined as a Common Element as defined under the Act.

For the purposes of this Declaration, Common Area within Manchester Place shall include Parcel B as shown on Exhibit A.

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

K. "Declarant" means Manchester Place, Ltd., a Colorado limited partnership, and its successors and assigns.

L. "Declaration" means and refers to this Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place.

M. "Default Assessment" means the Assessments levied by the Association pursuant to Article XI, Section 11.7. below.

N. "First Mortgage" means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

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

P. "Lot" means a plot of land subject to this Declaration and designated as a "Lot" on any subdivision plat of the Property recorded by Declarant in the office of the Clerk and Recorder of Arapahoe County, Colorado, together with all appurtenances and improvements, now or in the future on the Lot. Lot is further defined as a Unit as defined under the Act.

Q. "Manager" shall mean a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Board of Directors may authorize from time to time.

R. "Member" shall mean every person or entity who holds membership in the Association.

S. "Mortgage" shall mean any mortgage, deed of trust, or other document pledging any Lot or interest therein as security for payment of a debt or obligation. Mortgage is further defined as a Security Interest as defined under the Act.

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

any such person under such Mortgage.

U. "Owner" means the owner of record, whether one or more persons or entities, of fee simple title to any Lots, and "Owner" also includes the purchaser under a contract for deed covering a Lot, but excludes those having such interest in a Lot merely as security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired fee simple title to the Lot pursuant to foreclosure or other proceedings. "Owner" is further defined as a Unit Owner as defined under the Act.

V. "Participating Builder" shall mean an Owner other than Declarant which acquires a portion of the Property from Declarant for the purpose of constructing improvements thereon for resale and which is designated in writing by Declarant as a Participating Builder by instrument duly recorded in the County of Arapahoe, State of Colorado land records.

W. "Property" means and refers to that certain real property described on Exhibit A attached to this Declaration.

X. "Special Assessment" means an assessment levied pursuant to Article XI, Section 11.6 below on an irregular basis.

Y. "Successor Declarant" means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Arapahoe County, Colorado, designating such party as a Successor Declarant. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

Z. "Manchester Place" shall mean the planned community created by this Declaration, consisting of the Property, the Lots, and any other improvements constructed on the Property.

Each capitalized term as otherwise defined in this Declaration or in the Plat or Map shall have the same meanings specified or used in the Act.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 4.1. The Association. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 4.2. Transfer of Membership. An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Lot and then only to the purchaser or Mortgagee of his Lot.

Section 4.3. Classes of Membership. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of Declarant, and, except as otherwise provided for in this Declaration, shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised by one person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Lot shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any Owner of a Lot which is leased may assign his voting right to the tenant, provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one vote be cast with respect to any one Lot.

Class B. The Class B Member(s) shall be Declarant and any successor of Declarant and any builder purchasing more than one (1) Lot on which to construct residential improvements for resale, who takes title to all or part of the Property for the purpose of development and sale of the Property and who is designated as Successor Declarant in a recorded instrument executed by Declarant. The Class B Member(s) shall have exclusive power to appoint and remove members of the Board and officers of the Association during the period of Class B membership to the fullest extent permitted by Section 38-33.3-303 of the Colorado Revised Statutes ("C.R.S."). The Class B membership shall terminate on the earliest of those events set forth in Section 38-33.3-303(5) of C.R.S. as terminating the period of declarant control or the date on which Declarant voluntarily relinquishes its Class B membership, evidenced by a notice recorded in the office of the Clerk and Recorder for Arapahoe County, Colorado.

After termination of the Class B membership, Declarant and any designated Successor Declarant shall be entitled to one vote as a Class A Member for each Lot owned.

Section 4.4. Compliance with Association Documents. Each Owner shall abide by and benefit from each provision, covenant, condition, restriction and easement contained in the Association Documents. The obligations, burdens, and benefits of membership in the Association concern the land and shall be covenants running with each Owner's Lot for the benefit of all other Lots.

Section 4.5. Books and Records. The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and to Mortgagees, current copies of the Association Documents and the books, records, and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials.

Section 4.6. Manager. The Association may employ or contract for the services of a Manager to whom the Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by a Manager of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 4.7. Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association Documents or reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Association Documents, and every other duty or obligation implied by the express provisions of the Association Documents or necessary to reasonably satisfy any such duty or obligation.

ARTICLE V

POWERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

The Board of Directors shall have power to take the following actions:

A. Adopt and publish rules and regulations governing the use of the Common Area, including any recreational facilities which may be constructed on such property and governing the personal conduct of the Members and their guests, and the Association may establish penalties, including, without limitation, the imposition of fines, for the infraction of such rules and regulations;

B. Suspend the voting rights of a Member during any period in which such Member is in default on payment of any Assessment levied by the Association, as provided in Article XI, Section 11.7. Such rights may also be suspended after notice and hearing for a period not to exceed 90 days for infraction of published rules and regulations, unless such infraction is ongoing, in which case the rights may be suspended during the period of the infraction and for up to 90 days thereafter, and;

C. Exercise for the Association all powers, duties, and authority vested in or delegated to the Board and not reserved to the Members or Declarant by other provisions of this Declaration or the Articles or Bylaws of the Association or as provided by law.

ARTICLE VI COMMON AREA

Section 6.1. Maintenance. The Association shall maintain and keep the Common Area in good repair, and the cost of such maintenance shall be funded as provided in Article XI. This maintenance shall include, but shall not be limited to, upkeep, repair and replacement, subject to any insurance then in effect, of all landscaping, walls, gates, signage, irrigation systems, sidewalks, driveways and improvements, if any (which shall include without limitation snow removal services and street lighting unless either are performed by appropriate governmental entities), located in the Common Area as defined in Article III, Section 3.1, I. In the event the Association does not maintain or repair the Common Area, Declarant shall have right, but not the obligation, to do so at the expense of the Association.

ARTICLE VII PROPERTY RIGHTS OF OWNERS AND RESERVATIONS BY DECLARANT

Section 7.1. Owner's Easement of Enjoyment. Every Owner has a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot subject to the provisions contained herein.

Section 7.2. Recorded Easements. The Property shall be subject to all easements as shown on any recorded plat affecting the Property and to any other easements of record or of use as of the date of recordation of this Declaration. All easements and licenses to which the property is presently subject are set forth in Exhibit B. In addition, the property is subject to those easements set forth in this Article VII.

Section 7.3. Utility Easements. There is hereby created a general easement upon, across, over, in and under the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including, but not limited to, water, sewer, gas, telephone, electrical, and cable television and communications systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such services to install and maintain necessary equipment, wires, circuits, and conduits under and over the Property. Such utilities may temporarily be installed above ground during construction, if approved by Declarant.

Section 7.4. Declarant's Rights Incident to Construction.

Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon and across the Common Area, together with the right to store materials on the Common Area, to build and maintain temporary walls, and to make such other use of the Common Area as may be reasonably necessary or incident to any construction on the Lots or improvements on the Property or other real property owned by Declarant, provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to Manchester Place by the Owners.

Section 7.5. Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within Manchester Place.

Section 7.6. General Maintenance Easement. An easement is hereby reserved to Declarant, and granted to the Association, and any member of the Board or the Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, including the right to enter upon any Lot for purpose of performing maintenance to the landscaping or the exterior of any improvement on such Lot, as set forth in Section 8.4. below.

Section 7.7. Driveway and Underground Parking and Utility Easement. Declarant hereby states and each Owner, by the acceptance of the deed to his Lot, acknowledges that Declarant has caused to be constructed under all Lots comprising an eight (8) residence townhome cluster ("Cluster") a garage for the parking of motor vehicles of Owners of Lots in each Cluster. Each Owner within each Cluster, by the acceptance of the deed to his Lot, grants to each and every other Owner of a Lot in his Cluster a non-exclusive reciprocal easement for the installation and maintenance of utility lines and equipment for water, sewer, gas, telephone, garage, air, heating and ventilation, and for vehicular and pedestrian ingress and egress on, over and across that portion of the underground garage situated on his Lot, more particularly described as follows:

A strip of land, 24 feet in width, to and from each Lot within a Cluster, the centerline of which being the bearing reference line as delineated upon each Lot within

a Cluster situated within Parcel B, Manchester Park Subdivision Filing No. 1; said bearing reference line is 94 feet in length.

Further, there is hereby created an easement for ingress and egress over and across that portion of the Common Area upon which Declarant has constructed or will construct a driveway for entrance and exit purposes to and from the underground garage of each Cluster to the public street.

Section 7.8. Association as Attorney-in-Fact. Each Owner, by his acceptance of a deed or other conveyance vesting in him an interest in a Lot, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution as the Owner's name, place and stead to deal with Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the owner and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Section and this Declaration generally; provided, however, that any such action taken under this Section 7.7 shall not increase the dues or assessments by more than ten percent (10%) or materially alter the appearance of the Common Area. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment. No Owner shall have any rights against the Association or Declarant or any of their officers or directors with respect thereto except in the case of fraud or gross negligence.

Section 7.9. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area to the members of his family, his tenants, guests, licensees, and invitees, but only in accordance with and subject to the limitations of the Association Documents.

Section 7.10. General Provisions. The Association reserves the (a) right to dedicate any access roads and streets serving the Property for and to public use, to grant to the public a road easement or right-of-way with respect thereto and to allow such street or road to be used by owners of adjacent land; and (b) the right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of parking and/or recreational facilities, which may or may not be a part of the Property for the benefit of the Owners, and/or the Association.

ARTICLE VIII
MAINTENANCE AND LANDSCAPING

Section 8.1. Maintenance and Landscaping of Lots.

(a) Subject to Article XV hereof, each Owner shall be solely responsible for all interior maintenance and repair of his Lot and of the interior of his residence, including all fixtures and improvements and all utility lines and equipment located therein or in, on or upon his Lot and is required to maintain the Lot and any improvements located thereon in a condition of good order and repair. No Owner shall unreasonably damage the value of other Lots such as by shoddy upkeep of such Owner's Lot or any structures located on the Lot.

(b) Utility or service connections, facilities or other utility equipment and property located in, on or upon a Lot which is used solely to supply a service or utility to such Lot shall be owned by the Owner of the Lot using such utility or service and all expenses and liabilities for repair and maintenance shall be borne solely by the Owner of such Lot who shall have a perpetual easement in and to that part of such other Lots containing such property for purposes of maintenance, repair and inspection.

(c) No Owner shall construct any structure or improvement or make or suffer any structural or design change (including a color scheme change), either permanent or temporary and of any type or nature whatsoever to the exterior of his residence or construct any addition or improvement on his Lot without first obtaining the prior written consent thereto from the Architectural Control Committee pursuant to Article XV hereto.

Section 8.2. Common Area, Sidewalks and Driveways. The Association shall repair and maintain the Common Area, if any, including but not limited to all walls, gates, landscaping, signage and irrigation systems, or other improvements thereon, if any, (and the maintenance provided under this Section shall include snowplow services unless performed by an appropriate governmental agency) located in the Common Area. The maintenance provided under this Section shall be performed immediately and in accordance with the landscaping plan approved by the City of Aurora.

Section 8.3. Exterior Maintenance. In addition to the maintenance responsibility and obligation set forth in Section 8.2, the Association shall repair and maintain the exterior of each residence constructed on a Lot which is subject to assessment, as follows: paint or stain; repair, replacement and maintenance of roofs, gutters and downspouts; and repair of exterior building surfaces. Such exterior maintenance shall not include the maintenance and repair of entry doors and frames, sliding doors and/or windows, patio slabs or decking, air conditioning compressors serving each residence, all of which shall be the sole

responsibility of the Owner of each Lot. Determination of whether any repair or maintenance item is the obligation of the Association shall rest solely with the Association. The kind and type of materials and the method used for repair or maintenance item that is the responsibility of the Association shall be in the sole discretion of the Association.

In the event the need for repair or maintenance that is the responsibility of the Association under this Section is caused by the willful or negligent act of any Owner, his agent, family, guest, invitees or tenants, the cost of such maintenance shall be charged to such Owner and shall be added to and deemed a part of the assessment to which such Lot is subject.

Section 8.4. Maintenance Contract. The Association or its Board may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions, or duties of the Association to maintain the exterior surfaces of all buildings and the Common Area. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Board. The Board shall not be liable for any omission or improper exercise by the employed individual or maintenance company of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 8.5. Owner's Failure to Maintain or Repair. In the event that a Lot and the improvements thereupon are not properly maintained and repaired by an Owner as required herein, or in the event that the improvements on the Lot are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Board, shall have the right to enter upon the Lot to perform such work as is reasonably required to restore the Lot and the buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Lot, upon demand. All unreimbursed costs shall be a lien upon the Lot until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with Article XI of this Declaration.

ARTICLE IX INSURANCE AND FIDELITY BONDS

Section 9.1. Authority to Purchase. All insurance policies relating to the Common Area shall be purchased by the Board or its duly authorized agent. The Board, the Manager, and Declarant shall

not be liable for failure to obtain any coverages required by this Article IX or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are available only at demonstrably unreasonable cost. In such event, the Board shall cause notice of such fact to be delivered to all Owners.

Section 9.2. Notice of Owners. The Board shall promptly furnish to each Owner written notice of the procurement of, subsequent change in, or termination of, insurance coverages obtained on behalf of the Association under this Article.

Section 9.3. General Insurance Provisions. All such insurance coverage obtained by the Board shall be governed by the following provisions.

A. As long as Declarant owns any Lot, Declarant shall be protected by all such policies as an Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article IX shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such coverage be deemed to protect Declarant for (or waive any rights with respect to) warranty claims.

B. The deductible amount, if any, on any insurance policy purchased by the Board may be treated as a Common Expense payable from Annual Assessments or Special Assessments; or as an item to be paid from working capital reserves established by the Board; or alternatively, the Board may treat the expense as an assessment against an Owner whose Lot is specifically affected by the damage or whose negligence or willful act resulted in damage. The Association may enforce payment of any amount due from an individual Owner toward the deductible in accordance with Sections 11.6. and 11.7. below.

C. The insurance coverage described in this Article IX shall be considered minimum coverage and the Association shall be obligated to secure and maintain such other and/or additional coverage as may be required by law, including, without limitation, Section 38-33.313 of the C.R.S.

D. Except as otherwise provided in this Declaration, insurance premiums for the insurance coverage provided by the Board pursuant to this Article shall be a Common Expense to be paid by regular Assessments levied by the Association.

Section 9.4. Physical Damage Insurance on Common Area. The Board shall obtain and maintain in full force and effect physical damage insurance on all insurable improvements within the Common Area, if any, in an amount equal to full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, and other items normally excluded from

coverage). Such insurance shall afford protection against at least the following:

A. Loss or damage caused by fire and other hazards covered by the standard extended coverage endorsement, and caused by debris removal, demolition, vandalism, malicious mischief, windstorm, and water damage;

B. Such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

If there are no improvements within the Common Area, no hazard insurance need be obtained by the Association.

Section 9.5. Provisions Common to Physical Damage Insurance.

A. In contracting for the policy or policies of insurance obtained pursuant to Section 9.4. above, the Board shall make reasonable efforts to secure coverage, as the Board deems advisable, which provides the following:

(i) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Declaration not to do so.

(ii) The following endorsements (or equivalent): (i) "cost of demolition"; (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction"; and (iv) "agreed amount" or elimination of co-insurance clause.

(iii) Periodic appraisals to determine replacement cost, as more fully explained in Section 9.5.B below.

(iv) A provision that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Owner (including such Owner's tenants, servants, agents, invitees, and guests), any member of the Board, officer, or employee of the Association or the Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, the Manager, any Owner, or Mortgagee.

B. Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Board may deem advisable, the Board shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the property (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage) subject to insurance carried by the Association, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Article.

C. A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums and any notice issued under Section 9.5.A.(iv) above, shall be delivered by the insurer to any Mortgagee requesting the same, as least thirty days prior to expiration of the then current policy. The Mortgagee of a residence on any Lot shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such residence.

Section 9.6. Liability Insurance.

A. The Board shall obtain and maintain in full force and effect comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage insurance with such limits as the Board may from time to time determine, insuring each member of the Board, the Manager, each Owner, and the employees of the Association against any liability to the public or to the Owners (and their guests, invitees, tenants, agents and employees) arising out of or incident to the ownership or use of the Common Area. Such comprehensive policy of public liability insurance shall also cover contractual liability, liability for non-owned and hired automobiles, and if applicable, bailee's liability, garagekeeper's liability, host liquor liability, employer's liability insurance, and such other risks as shall customarily be covered with respect to projects similar to Manchester Place in construction, location, and use.

B. The Board shall review such limits once each year, but in no event shall such insurance be less than \$1,000,000.00 covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may, at the option of the Board, also be obtained in an amount deemed by the Board, in its sole discretion, to be appropriate.

Section 9.7. Fidelity Insurance. To the extent obtainable at reasonable cost, fidelity bonds shall be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bond shall be obtained for the Manager and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Association as an obligee and shall be written in an amount at least \$5,000.00. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions.

Section 9.8. Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of this Article IX above shall be subject to the following provisions and limitations:

A. The named insured under any such policies shall include Declarant, until all the Lots have been conveyed, and the Association, as a trustee for the Owners and their Mortgagees, as their interests may appear, or the authorized representative of the Association (including any trustee with whom the Association may enter into an insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the "Insurance Trustee") who shall have exclusive authority to negotiate losses and receive payments under such policies.

B. In no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees;

C. The policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Owner (including an Owner's tenants, servants, agents, invitees, and guests) when such act or neglect is not within the control of the Association, or (ii) any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control;

D. The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be cancelled or substantially modified or reduced (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any Mortgagee who is the beneficiary of a First Mortgage or record against any Lot, and all insurers named in the policies;

E. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Board, the Association, the Manager, and any Owner or their respective agents, employees, or tenants, and in the case of Owners, members of their households; and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

F. All policies shall be written with a company licensed to do business in the State of Colorado and holding a rating of B/VI or better in the financial category as established by A.M. Best Company, Inc., if reasonably available, or, if not reasonably available, the most nearly equivalent rating.

Section 9.9. Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate personal liability insurance shall be maintained by the

Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.

Section 9.10. Workmen's Compensation Insurance. The Board shall obtain workmen's compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.

Section 9.11. Other Insurance. The Board may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 9.12. Insurance Obtained by Owners. Each Owner may obtain physical damage and liability insurance for such Owner's benefit, at such Owner's expense, covering the Owner's Lot and improvements, personal property and personal liability (except to the extent any such Lot is encumbered by an easement conveyed to the Association as Common Area). In addition, an Owner may obtain such other and additional insurance coverage on the Lot as such Owner in the Owner's sole discretion shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners, including Declarant, should Declarant be the Owner of any Lot. No Owner shall obtain separate insurance policies on the Common Area.

The Board may require an Owner who purchases insurance coverage for the Owner's Lot (other than coverage for the Owner's personal property) to file copies of such policies with the Association within 30 days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

ARTICLE X INCIDENTS OF OWNERSHIP IN MANCHESTER PLACE

Section 10.1. Inseparability. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Lot and improvements thereon shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance respectively of the entire Lot, including each easement, license, and all other appurtenant rights created by law or by this Declaration.

Section 10.2. No Partition. The Common Area shall be owned by the Association, and no Owner, group of Owners, or the Association shall bring any action for partition or division of the Common Area.

Section 10.3. Residential Use/Declarant's Use. A Lot may be used for residential purposes only. The improvements on the Lot may be used for permanent or short-term occupancy by its Owner, its family, servants, agents, guests, invitees, and tenants, and such Owner shall be allowed to rent or arrange for rental of its improvements for any length of time, except that such improvements may not be used as an office or for any other commercial purpose. Notwithstanding the foregoing, Declarant is authorized to maintain a sales office or property management office on any unsold Lot or Common Area, as well as other facilities (including signage and model) which, in the sole opinion of Declarant, may be reasonably necessary, convenient or incidental for constructing sales or property management purposes. Any office located on a Lot shall not be deemed to designate such offices or Lot as part of the Common Area.

ARTICLE XI ASSESSMENTS

Section 11.1. Obligation. Declarant, for each Lot owned by Declarant, hereby covenants, and each Owner, by accepting a deed for a Lot, is deemed to covenant to pay to the Association (1) the Annual Assessments imposed by the Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Area and to perform the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration, if permitted by law; and (3) Default Assessments which may be assessed against a Lot for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

Section 11.2. Purpose of Assessments. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of Manchester Place, and for the improvement and maintenance of the Common Area, as more fully set forth in this Article below.

Section 11.3. Budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed

budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Section 11.4. Annual Assessments. Annual Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Board shall from time to time determine to be paid by all of the Owners, subject to Section 11.3. above.

Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the Common Area; expenses of management; taxes and special governmental assessments pertaining to the Common Area and insurance premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping, care of grounds within the Common Area; routine repairs and renovations within the Common Area; wages; common water and utility charges for the Common Area; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any default remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs, and replacement of improvements within the Common Area on a periodic basis, as needed.

Annual Assessments shall be payable on a prorated basis each year in advance and shall be due on the first day of each year. The omission or failure of the Association to fix the Annual Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year.

Section 11.5. Apportionment of Annual Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Lots, subject to the following provisions. All expenses (including, but not limited to, costs of maintenance, repair, and replacement) relating to fewer than all of the Lots shall be borne by the Owners of those affected Lots only.

Section 11.6. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association may levy in any fiscal year one or more Special Assessments, if permitted by applicable law, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Area or for any other expense incurred or to be incurred as provided in this Declaration. This Section 11.6. shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of

assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners in the same proportion as provided for Annual Assessments in Article XI, Section 11.4., subject to the requirements that any extraordinary maintenance, repair or restoration work on fewer than all of the Lots shall be borne by the Owners of those affected Lots only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than 30 days after such notice shall have been given.

Section 11.7. Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment 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 30 days prior to the due date.

Section 11.8. Effect of Nonpayment; Assessment Lien. Any Assessment installment, whether pertaining to any Annual, Special, or Default Assessment, which is not paid within 30 days after it's due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

A. Assess a late charge for each delinquency in such amount as the Association deems appropriate;

B. Assess an interest charge from the date of delinquency at the yearly rate of twenty one percent (21%) per annum, or such other rate as the Board may establish, not to exceed twenty-one percent (21%) per annum;

C. Suspend the voting rights of the Owner during any period of delinquency;

D. Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

E. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and

F. File a statement of lien with respect to the Lot and proceed with foreclosure as set forth in more detail below.

Assessments chargeable to any Lot shall constitute a lien on such Lot, including any improvements on the Lot. To evidence the lien created under this Article XI, Section 11.7., the Association may, but shall not be required to, prepare a written notice setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued penalty on the indebtedness, (iv) the name of the Owner of the Lot, and (v) a description of the Lot. The notice shall be signed and acknowledged by the President or a Vice-President of the Association or by the Manager, and the Association shall serve the notice upon the Owner by mail to the address of the Lot or to such other address as the Association may have in its files for such Owner. At least ten days after the Association mails the Owner such a notice, the Association may record the same in the office of the Clerk and Recorder of Arapahoe County, Colorado. Such lien for Assessments shall attach from the due date of the Assessment. Thirty days following the date the Association mails the notice, the Association may institute foreclosure proceedings against the defaulting Owner's Lot in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses of filing the notice of the claim and lien, and all reasonable attorneys' fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 11.9. Personal Obligation. The amount of any Assessment chargeable against any Lot shall be a personal and individual debt of the Owner of same. No Owner may exempt himself from liability for the Assessment by abandonment of his Lot or by waiver of the use or enjoyment of all or any part of the Common Area. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorneys' fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 11.10. Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such Assessments, all successors to the fee simple title of a Lot, except as provided in Article XI, Section 11.11. below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Lot without prejudice to any such successor's right to recover from any prior Owner any

amounts paid by such successor. This right of a successor shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Lot. In addition, such successor shall be entitled to rely on the statement of status of Assessments by or on behalf of the Association under Article XI, Section 11.12. below.

Section 11.11. Subordination of Lien. The lien of the Assessments provided for in this Declaration shall be subordinate to (a) the lien of real estate taxes and special governmental assessments, (b) liens and encumbrances recorded before the recordation of the Declaration, and (c) liens for all sums unpaid for a first mortgage of record, recorded before the date on which the Assessment sought to be enforced became delinquent. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Colorado. Seller transfer of any Unit shall not effect the Association's lien except that sale or transfer of any Unit pursuant to foreclosure of any first mortgage, or any proceeding in lieu thereof, or cancellation or forfeiture shall only extinguish the Association's liens as provided in the Act. The amount of such extinguished lien may be reallocated and assessed to all Lots as a Common Expense at the direction of the Board. No sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, or the Lot from the lien of, any Assessment made after the sale or transfer.

Section 11.12. Notice to Mortgagee. The Association shall report to any Mortgagee any unpaid Assessments remaining unpaid for longer than 60 days after the same shall have become due, if such Mortgagee first shall have furnished to the Association written notice of the Mortgage and a request for notice of unpaid Assessments. Any Mortgagee holding a lien on a Lot may pay any unpaid Assessment payable with respect to such Lot, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Lot for the amounts paid with the same priority as the lien of the Mortgage.

Section 11.13. Statement of Status of Assessment Payment. Upon payment of a reasonable fee set from time to time by the Board and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Board shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Lot. Unless such statement shall be issued within fourteen (14) business days after receipt of such written request by the Board, all unpaid Assessments which become due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest in the Lot subsequent to requesting such statement. If the request is made by a prospective purchaser, both the lien for the unpaid Assessment and the personal obligations of

the Owner shall be released automatically if the statement is not furnished within the period provided for above, and if, after that period, an additional written request is made by such purchaser and is not complied with within 10 days after receipt, and the purchaser subsequently acquires the Lot.

ARTICLE XII ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of dealing with any improvements covered by insurance written in the name of the Association pursuant to Article IX upon their damage or destruction as provided in Article XIII, or a complete or partial taking as provided in Article XIV below. Acceptance by a grantee of a deed or other instrument of conveyance from Declarant or any other Owner conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XIII DAMAGE OR DESTRUCTION

Section 13.1. The Role of the Board. Except as provided in Section 13.6., in the event of damage to or destruction of all or part of any Common Area improvement, or other property covered by insurance written in the name of the Association under Article IX, the Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to Article IX is sometimes referred to as the "Association-Insured Property").

Section 13.2. Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that deems reliable and complete of the costs of repair and reconstruction. "Repair and reconstruction" as used in Article XIII shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Board or the Insurance Trustee, if any, determines to be necessary.

Section 13.3. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or

destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 13.4. Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement, and reconstruction of the Association-Insured Property.

If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement, or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Article XI, Section 11.6., but subject to applicable law, levy, assess, and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.

Section 13.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in equal shares per Lot, first to the Mortgagees and then to the Owners, as their interests appear.

ARTICLE XIV CONDEMNATION

Section 14.1. Rights of Owners. Whenever all or any part of the Common Area shall be taken by any authority having power of condemnation or eminent domain or whenever all or part of the Common Area is conveyed in lieu of a taking under threat of condemnation by the Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as

attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 14.2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for those Owners from whom use of the Common Area was conveyed, and the award shall be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty days after such taking Declarant and Owners who represent at least 67% of the Class A votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvement so taken on the remaining land included in the Common Area to the extent lands are available for such restoration or replacement in accordance with plans approved by the Board and the Architectural Control Committee. If such improvements are to be repaired or restored, the provisions in Article XII above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Lot among the Owners, first to the Mortgagees and then to the Owners, as their interests appear.

Section 14.3. Complete Condemnation. If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Area shall be distributed as provided in Article XIII, Section 13.5. above.

ARTICLE XV ARCHITECTURAL CONTROL COMMITTEE

Section 15.1. Membership. The Board may appoint an Architectural Control Committee (hereinafter sometimes referred to as the "Committee") which may be composed of three (3) or more members. Notwithstanding the foregoing sentence and the provisions of Section 4.3., the Declarant shall have the exclusive right to appoint all members of the Architectural Control Committee and fill any vacancies therein created, until such time as all Lots in Manchester Place are sold, with residential structures thereon, to Owners other than Declarant or Participating Builders. In the event no such appointment is made, then the Board shall constitute the Architectural Control Committee and shall have all duties and responsibilities thereof as set forth herein. In the event of death, disability, or resignation of any member of the Architectural Control Committee, the Board shall have the authority to designate a successor or successors.

Section 15.2. Evidence of Action. The Committee's approval or disapproval as required in these covenants shall be in writing, as indicated by the signatures of a majority of the Committee or its designated representatives. The Committee shall not be required to maintain records of plans submitted. Approval by the Committee shall be conclusive evidence of compliance with these covenants provided that the improvements are constructed in substantial compliance with the plans as approved. In the event the Committee fails to approve or disapprove a proposal within forty five (45) days after plans and specifications have been submitted to it and the submission is evidenced by a certified or registered mail receipt, or, in any event, if no suit to enjoin the proposed construction has been commenced within one (1) year after the proposed construction had begun and became apparent, such approval will not be required, and the related covenants shall be deemed to have been complied with fully.

Section 15.3. Duties. The Committee shall act upon and approve or disapprove any and all matters to be submitted to the Committee pursuant to any of the provisions of this Declaration and shall have all duties and powers as are hereinafter provided and set forth. In addition to the foregoing, the Committee shall keep a running total of unobstructed open space, both by individual lot and for the subdivision as a whole, to be provided, upon request, to developers or contractors to provide to the City of Littleton with each application for a building permit within the subdivision to ensure compliance with the open space requirements of the Planned Development Plan. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed, nor shall the Committee or any member thereof be liable, in any manner, for any action or failure of action done in good faith arising out of their service on the Committee.

Section 15.4. Approval of Plans.

(a). All plans and specifications in connection with the construction of any residence, fence, ancillary structure, exterior lighting, machinery, solar panels or installations, decks, patios, patio enclosures, wall, driveway, landscaping, or other structure, and in connection with any exterior maintenance and remodeling of any residence or other structure, including, but not limited to, changing the initial color or exterior materials of the residence, or any other lot improvements or appurtenances, such as mailboxes, or any alteration of any of the above described improvements to a Lot shall be submitted to the Committee or its designee, and prior written approval shall be required.

(b). Before any construction or alteration begins, plans and specifications showing the nature, kind, shape, height, materials, and location, the exterior design the exterior materials to be used, the color scheme, the site plan, a topographic survey, the

location of the driveway and sidewalks and plans for the proper landscaping and drainage of the Lot with respect to adjacent Lots must be submitted to the Committee for its prior written approval.

(c). In passing upon such plans, specifications and other requirements, the Committee may take into consideration whether the proposed residence or other structure or alteration and the materials of which it is to be built are reasonably suitable for the Lot upon which the residence or other structure or alteration is to be erected, the harmony thereof with the surroundings, and the effect of the residence or other structure or alteration as planned on the outlook from and/or property values of adjacent or neighboring property. The Committee shall, in the exercise of its judgment and determination, use reason and good faith.

(d). No residence, fence, wall, driveway, landscaping structure, or alteration of any kind, including, but not limited to, those specifications described in this Article XV, which has not received such prior written approval by the Committee and which does not fully comply with such approved plans and specifications, shall be erected, constructed, placed, or maintained upon any Lot. No changes or deviations in and from such plans and specifications as so approved shall be made without the prior written consent of the Committee. The Committee shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications.

(e). In passing upon such plans, specifications, and other requirements, the Committee shall apply the pertinent requirements and considerations set forth in the Manchester Place General Planned Development Plan or recorded Plat, covenants and restrictions set forth in this Declaration or any Supplementary Declaration or any additional Design Guidelines promulgated by the Architectural Control Committee for Manchester Place as a whole or any particular Subdivision, Plat, or phase of Manchester Place, and the reasonable discretion of the Architectural Control Committee.

Section 15.5. Binding Agreement to Pay Legal Costs. In the event that an Owner shall dispute the determination of the Architectural Control Committee and files a lawsuit to overrule, vacate or otherwise mitigate the effect of any determination of the Committee, or if an Owner(s) fails to submit for approval any action as required by Section 15.4 and the Committee or any Owner, the Architectural Control Committee, or the Association brings an action to enforce these provisions; then the Owner(s) and the Association are hereby bound to the agreement that any and all costs, including reasonable attorneys fees, associated with the institution and defense of such a suit, shall, to the extent permitted by a court of competent jurisdiction, be paid to the prevailing party by the losing party.

Section 15.6. Variance. The Architectural Control Committee may grant reasonable variances or adjustments from any conditions or restrictions imposed by this Declaration. Such variances or adjustments shall only be granted if it is not material, detrimental or injurious to the other property or improvements to the neighborhood, and shall not defeat the general intent and purpose hereof. Any variance granted by the Architectural Control Committee shall not affect or negate the requirements of any other applicable authorities.

Section 15.7. Minor Violations of Setback Requirements. If, upon erection of any Unit upon any of the Lots which are subject to these restrictions, it is disclosed by survey that a minor violation and infringement of setback lines has occurred, such violation and infringement shall be deemed waived by the Owners of the Lots immediately adjoining the Lot upon which the violation and infringement occurs, and such waivers shall be binding upon all other Owners who are subject to this Declaration. Nothing herein contained shall prevent the maintenance of suit for any other violation of the restrictions contained in this Declaration. A "minor violation" for the purpose of this Section is a violation of not more than six (6) inches beyond required setback lines or Lot lines. This provision shall only apply to the original structures and shall not be applicable to any alterations or repairs to such structures.

Section 15.8. No review. The following types of changes, additions, or alterations do not require the approval of the Architectural Control Committee. Although exempt from Committee review, all work must proceed in accord with all applicable law, codes, and regulations, and the provisions of this Declaration.

A. Addition of plants to a property in accordance with a previously approved landscape plan.

B. Modifications to the interior of a residence when those modifications do not unduly affect the outside appearance of the structure.

C. Transplanting or repainting or restaining of the exterior of the residence in its original color.

D. Repairs to a structure in accordance with previously approved plans and specifications.

E. Reroofing with roofing materials of the same quality (or better) and color as its original materials.

F. Seasonal decorations if removed promptly (within 15 days following the holiday).

ARTICLE XVI
PARTY WALLS

Section 16.1. Party Wall Easements. Mutual reciprocal easements are hereby established, declared, and granted for all party walls between improvements constructed or to be constructed on Lots, which reciprocal easements shall be for mutual support, and shall be governed by this Declaration. Every Deed, whether or not expressly so stating, shall be deemed to convey and to be subject to such reciprocal easements.

Section 16.2. General Rules of Law to Apply. Each wall which is built as a part of the original construction or restoration of the Residences upon the Lots and placed on the dividing line between adjacent 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 negligence or willful acts or omissions shall apply thereto.

Section 16.3. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of any party wall shall be borne in proportion to their use of the wall by the Owners on either side of the party wall.

Section 16.4. 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 Owner thereafter makes use of the wall, the other Owner shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from the other Owner under any rule of law regarding liability for negligent or willful acts or omissions.

Section 16.5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who, by his negligent or willful act, causes the party wall to be exposed to the elements, shall bear the entire cost of furnishing the necessary protection against such elements for the benefit of the other Owner.

Section 16.6. Right to Contribution 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 16.7. 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. The three arbitrators shall act as a Board of Arbitration and the decision shall be by a majority vote of the Board of Arbitration after an arbitration hearing. No legal action with respect to a party wall

dispute shall be commenced or maintained unless and until the provisions of this arbitration clause have been met. The appointment of arbitrators hereunder shall be made within twenty (20) days after notice by one party to the other party that a dispute exists, which notice shall not be given after any applicable statute of limitations concerning such dispute shall have expired.

ARTICLE XVII MORTGAGEE'S RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgages on Lots. To the extent applicable, necessary, or proper, the provisions of this Article XVI apply to this Declaration and also to the Articles and Bylaws of the Association.

Section 17.1. Approval Requirements. Unless at least 51% of the Mortgagees holding First Mortgages against any portion of the Property (based on one vote for each Mortgage held) and at least 67% of the Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, sell, or transfer all or part of the Common Area (provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this clause);

B. Change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner.

Section 17.2. Right to Pay Taxes and Charges. Mortgagees who hold First Mortgages against Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XVIII MISCELLANEOUS USE RESTRICTIONS

Section 18.1. Antennas. Except for any which may, at Declarant's option, be erected by Declarant or Declarant's designated representative, no exterior radio or television antenna, aerial, satellite dish, or other type of radio or television receiving system shall be erected or maintained without the prior written approval of the Architectural Control Committee.

Section 18.2. Transmitters. No exterior electronic or radio transmitter or aerials of any kind extending above the roof shall be located or operated in or on any Improvement or on any Lot without the prior written approval of the Architectural Control Committee.

Section 18.3. Repair of Buildings. No Improvement upon any Lot 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 before the surfacing becomes weatherbeaten or worn off. All fences within the Property visible from a public right-of-way shall be stained if constructed of wood and painted if constructed of metal. The stain shall be approved by the Architectural Control Committee. The metal paint shall be approved by the Architectural Control Committee. Materials which are customarily left unfinished are permitted so long as in the opinion of the Architectural Control Committee they have not become unsightly.

Section 18.4. Reconstruction of Buildings. Any Improvement which may be destroyed in whole or in part by fire, hail, windstorm or any other cause or act of God, shall, at the expense of the Owner of such Improvement, be rebuilt or all debris removed so as not to render the Property or any portion thereof, in the opinion of the Board, unsanitary, unsightly, offensive or detrimental to any other property or to its occupants.

Section 18.5. Nuisances. No noise or other nuisance shall be permitted to exist or operate upon any Lot so as to be, in the opinion of the Board, offensive or detrimental to any other property or its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, wind chimes, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any Lot without the prior written approval of the Board. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof, in the opinion of the Board, unsanitary, unsightly, offensive or detrimental to any other property or to its occupants.

Section 18.6. Unsightly Articles. No unsightly article shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, mobile homes, recreation vehicles, graders, trucks other than pickups used solely for the private and non-business use of the residents of a dwelling, boats, tractors, campers, wagons, buses, sleighs, motor scooters, snowmobiles, snow removal equipment, garden and maintenance equipment, and all commercial and business vehicles shall be kept at all times, except when in actual use, in the

garage. No lumber, grass, plant waste, shrub or tree clippings, metals, building materials or scrap shall be kept, stored or allowed to accumulate on any property. No lawn or yard art shall be allowed on the Property or on any Lot.

Section 18.7. Signs and Flags. No sign or flag of any kind shall be displayed to the public view on any Lot; provided, however, that signs not to exceed seven (7) square feet and United States or Colorado flags of reasonable size not to exceed fifteen (15) square feet may be displayed on or from a residence. Any such signs shall be solely for advertising the residence for sale or lease or indicating that the residence has been "sold" for a period of two weeks after closing. Signs and flags used for sale, administration and directional purposes by Declarant during the development of Manchester Place will be permitted. Signs and flags used by Participating Builders shall be permitted only with the express written consent of Declarant.

Section 18.8. Single-Family Use Only. No lot and no residence on any Lot shall be used for any purpose other than for one single-family residence. However, nothing in this Declaration shall prevent the rental of a Lot by the Owner thereof for residential purposes. No commune, co-operative or similar type living arrangement shall be permitted on any Lot.

Section 18.9. Hazardous Activities. No activities shall be conducted on any Lot or Common Area and no Improvements shall be constructed on any Lot or Common Area which are or might be unsafe or hazardous to any person or property except permitted construction activities. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot, and no open fires shall be lighted or permitted on any Lot except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

Section 18.10. Garage Sales. No garage, patio, porch or lawn sale shall be held on any Lot, except that the Owner of any Lot may conduct such sale if the items sold are only his own furniture and furnishings, not acquired for purposes of resale; if such sale is held at such time and in such manner as not to disturb any other resident of the area; and if such sale is held in full compliance with all applicable governmental ordinances, statutes, resolutions, rules and regulations, on an infrequent, occasional basis.

Section 18.11. New Construction. All Dwelling Units shall be of new construction and no existing Dwelling Unit shall be moved onto any Lot. No other building (including but not limited to playhouses and storage sheds) may be moved onto a Lot without the prior written approval of the Architectural Control Committee, and subject to the restrictions set forth in Section 8.1 above and all applicable governmental ordinances, statutes, resolutions, rules

and regulations.

Section 18.12. Storage of Building Materials. No building materials shall be stored on any Lot except temporarily during continuous construction of an Improvement or its approved alteration or improvement; and if such storage is done in full compliance with all applicable governmental ordinances, statutes, resolutions, rules and regulations.

Section 18.13. Temporary Structures. No trailer, mobile home, 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 foreman during actual construction may be maintained by Declarant, or by an Owner with the prior approval of Architectural Control Committee, such approval to include the nature, size and location of such structure; and if such structure is built and located in full compliance with all applicable governmental ordinances, statutes, resolutions, rules and regulations.

Section 18.14. Basketball Hoops. Basketball hoops, other than those that may be erected on the Common Area by the Association, shall be prohibited.

Section 18.15. Vegetable Garden. Vegetable gardens are prohibited except in screened yard areas.

Section 18.16. Livestock, Poultry, and Pets. No animals or pets other than domesticated dogs, cats, and other common household pets shall be allowed on the Property. Raising or keeping livestock such as cows, pigs, horses, sheep, goats, poultry, etc. is therefore prohibited.

Section 18.17. Roofing. In single-family residential areas, all replacement roofs shall be covered with materials substantially similar to those incorporated in the original construction thereof.

Section 18.18. Colors. All exterior painting or staining shall be of colors determined solely by the Committee.

In general, only those areas that were stained originally shall be restained; unpainted surfaces and unstained areas, such as brick or stone, shall not be painted or stained unless specifically approved by the Committee.

Section 18.19. Windows. All windows shall have painted or stained wood or non-reflective metal or vinyl clad frames and dividers. No reflective glass is permitted.

Section 18.20. Window Coverings. All windows shall be covered with curtains, drapes, or other acceptable coverings within no more

than 6 months of occupancy. Window coverings visible from the exterior shall be compatible with the architectural character of the residence. Reflective shades or film type window coverings are specifically prohibited.

Section 18.21. Solar Panels. Any solar panels and related appurtenances and equipment, whether included in the original construction or added at a later date, shall be designed and constructed so as to appear as an integrated part of the building architecture. This shall generally mean that the panels shall be roof mounted so that the top surface is flush with the roof surface, with all appurtenances recessed into the structure's attic. When solar orientation prohibits this approach, the roof shall be altered so that the panels appear to be "built-in", i.e., shall not be visible. If panels are ground or wall mounted, they shall be integrated into the structure using compatible materials so that the panels appear as a natural extension of the house.

Section 18.22. Garages. All single family residences within Manchester Place shall have garages with the capacity for at least two cars.

Section 18.23. Firewood. Firewood shall be neatly stacked and shall be located within the confines of a screened enclosure such as a fence or wall.

Section 18.24. Mechanical Equipment/Utilities. All utilities shall be installed underground. On-grade utility appurtenances, such as electrical transformers, utility meters, etc., shall be screened using approved means.

Mechanical equipment, such as air-conditioners, heating equipment, etc., shall be installed as an integral part of the architecture whenever possible. Under no circumstances shall these items be roof mounted or located in such a way that they are visible from neighboring properties or public streets.

Section 18.25. Dog Houses/Runs. Dog houses, shelters, and runs shall be completely screened from the view of adjacent public or private properties and streets, and shall be built from materials compatible with the residence.

Section 18.26. Mail Boxes. Mail boxes shall be provided and installed by Declarant. No other mail boxes, newspaper tubes, etc. shall be placed or erected on the Property. In the event mail boxes are not provided by the Declarant, the size, design and placement thereof by the Owner shall be only with the approval of the Architectural Control Committee.

Section 18.27. Exterior Lighting. Exterior lighting shall not be directed in such a manner as to create an annoyance to adjoining properties. High wattage area lighting ("yard lights") are

prohibited. Illumination of roofs or features on roofs is prohibited.

Section 18.28. Play Equipment. Play equipment may be erected within a fenced or screened area, but shall have the approval of the Architectural Control Committee. Play equipment shall be of an appropriate scale and approved materials and color. Equipment utilizing natural materials (wood vs. metal) is preferred.

Section 18.29. Site Grading. Any change to site grading shall be approved by the Architectural Control Committee. No new grading shall divert water onto other properties or otherwise substantially alter existing drainage patterns. Care shall be taken to keep water away from foundations. Downspouts shall discharge onto splash blocks or other devices to prevent saturation of soils at foundations. Irrigation of plant material shall be kept away from the foundation. Patios, lawn areas, shrub beds, etc., shall be sloped positively away from foundations to prevent puddling of water.

ARTICLE XIX DURATION OF COVENANTS AND AMENDMENT

Section 19.1. Term. The covenants and restrictions of this Declaration shall run with and bind the land until January 1, 2013, after which time they shall be automatically extended for successive periods of time of 10 years each, subject to the following provisions.

Section 19.2. Amendment. This Declaration, or any provision of it, may be amended at any time by an instrument signed by Owners holding not less than 67% of the votes possible to be cast under this Declaration and signed by Declarant (during the period of Class B membership), and at least 51% of the Mortgagees holding First Mortgages against any portion of the Property (based on one vote for each Mortgage held). Any amendment must be executed by the President of the Association and recorded in the Clerk and Recorder's Office of Arapahoe County, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying that signatures of a sufficient number of Owners approving the amendment are on file in the office of the Association.

Section 19.3. When Modifications Permitted. Notwithstanding the provisions of Section 19.2. above or Section 19.4. below, no termination, extension, modification, or amendment of this Declaration made prior to the termination of Class B Membership, shall be effective unless the prior written approval of Declarant is first obtained.

Section 19.4. Revocation. This Declaration shall not be revoked, except as provided in Article XIV regarding total

condemnation, without the consent of all of the Owners evidenced by a written instrument duly recorded.

ARTICLE XX
GENERAL PROVISIONS

Section 20.1. Enforcement. Except as otherwise provided in this Declaration, the Board, Declarant, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Board of the Association, Declarant, or any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Section 20.2. Severability. Invalidity 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.

Section 20.3. Rule Against Perpetuities. Notwithstanding anything in this Declaration to the contrary, the creation of any interest under this Declaration shall vest, if at all, within the period of time measured by the life of the survivor of the now living grandchildren of George Herbert Walker Bush, ex-President of the United States, plus 21 years.

Section 20.4. Conflicts Between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Manchester Place, Ltd., a
Colorado limited partnership

By: Yip & Lu, Inc., a Colorado
corporation, General Partner

By: _____
Its: _____

(Notary Block on following page)

STATE OF COLORADO }
 } ss.
CITY & COUNTY OF DENVER }

BOOK 7465 PAGE 143

The foregoing Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place was acknowledged before me under oath on this 18 day of March, 1994 by Linda Yip as Vice President of Yip & Lu, Inc., a Colorado corporation, General Partner of Manchester Place, Ltd., a Colorado limited partnership.

My commission expires 10/19/95



Witness my hand and official seal.


Notary Public

**EXHIBIT A
TO
DECLARATION
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
MANCHESTER PLACE**

PARCEL A

Lots 1 through 40, inclusive, Block 2, MANCHESTER PARK SUBDIVISION, FILING NO. 1, County of Arapahoe, State of Colorado.

PARCEL B

All of Block 2, MANCHESTER PARK SUBDIVISION FILING NO. 1, except Lots 1 through 40, inclusive, Block 2, County of Arapahoe, State of Colorado, sometimes known and designated as Tract B, Block 2 according to recorded Plat recorded January 29, 1980 at Reception No. 1936308.

Except that portion deeded to the Manchester Park Townhome Homeowners Association, recorded in Book 3499 at Page 257.

County of Arapahoe, State of Colorado.

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS
RESTRICTIONS AND EASEMENTS OF
MANCHESTER PLACE**

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09/29/1994 03:58P
Book 7722 Page 219
Rec Fee: \$25.00
Doc Fee: \$0.00
Marjorie Page, Clerk
Arapahoe County, CO

This First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place ("First Amendment") is made this 24th day of September, 1994, by Manchester Place, Ltd., a Colorado limited partnership ("Manchester Ltd.") and Manchester Place Homeowners Association, Inc., a Colorado non-profit corporation ("Association").

RECITALS

- A. On March 18, 1994, Manchester Place, Ltd., as Declarant, executed that certain Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place ("Declaration") which Declaration was recorded on March 21, 1994, in Book 7465, at Page 108, of the records of the Clerk and Recorder for Arapahoe County, Colorado ("Arapahoe County Records").
- B. Article III, Section 3.1. W of the Declaration defines the "Property" subject to the Declaration, as that certain real property described on Exhibit A attached to the Declaration.
- C. Manchester Place, Ltd., desires to modify the Declaration, to reduce the initial amount of real property subject to the Declaration, and reserve the right unto the Declarant, to later annex additional real property.
- D. Article XIX, Section 19.2 of the Declaration captioned, "Amendment," provides that the Declaration may be amended, at any time, by an instrument signed by Owners of at least 67 percent of the votes possible to be cast under the Declaration, by the Declarant, by at least 51 percent of the Mortgagees (as defined in the Declaration) and by the President of the Association.
- E. Manchester Place, Ltd., is the sole owner of all of the Property, as defined in the Declaration, is the sole Owner as defined in Article III, Section 3.1. U of the Declaration and is the Declarant. There are no Mortgagees.

Now Therefore, Manchester Place, Ltd., hereby modifies and amends the Declaration as follows:

1. The Legal Description for the Property as defined in the Recitals of the Declaration and Article III, Section 3.1. W thereto, and as more fully set forth in Exhibit A, attached to the Declaration, is hereby amended to read as follows:

PARCEL A

Lots 9 through 16, inclusive, Block 2, MANCHESTER PARK SUBDIVISION, FILING NO. 1, County of Arapahoe, State of Colorado.

PARCEL B

All of Block 2, MANCHESTER PARK SUBDIVISION, FILING NO. 1, except Lots 1 through 40, inclusive, Block 2, County of Arapahoe, State of Colorado, sometimes known and designated as Tract B, Block 2 according to recorded Plat recorded January 29, 1980, at Reception No. 1936308.

Except that portion deeded to the Manchester Park Townhome Homeowners Association, recorded in Book 3499, at Page 257.

County of Arapahoe, State of Colorado.

2. Section 2.3. is hereby amended to read as follows:

Section 2.3. Number of Lots. The number of Lots in the project shall not exceed forty (40). The Declarant reserves no rights to create Lots in excess thereof.

3. Section 3.1. P is hereby amended to read as follows:

P. Lot means a plot of land subject to, or to be made subject to by annexation, this Declaration and designated as a "Lot" on the subdivision plat of the Property recorded as part of Manchester Park Subdivision Filing No. 1 on January 29, 1980, in Book 43, at Page 53, Reception No. 1936308, in the Office of the Clerk and Recorder of Arapahoe County, Colorado, together with all appurtenances and improvements, now or in the future on the Lot. Lot is further defined as a Unit as defined under the Act.

4. A new Section 7.10. is hereby added to read as follows:

Section 7.10. Declarant's Rights of Annexation. Declarant, for itself and its successors and assigns, hereby reserves the right to annex additional Lots to the project, all of which shall be subjected to and subject to the provisions of the Declaration; provided, however, that (i) such annexed Lots shall be annexed in groups of eight (8) Lots on which a cluster of eight (8) townhouses will or have been built, (ii) such annexation(s) take place within five (5) years of the date this Declaration is recorded in the records of Arapahoe County, Colorado, and

(iii) such annexation, if necessary for federally approved mortgage financing purposes, is done in a manner approved by the Veterans Administration or the Federal Housing Administration or any successor agency. Any annexation made to the project pursuant to this Section 7.10, shall become effective upon recording an Amendment to this Declaration by Declarant in the records of the Clerk and Recorder of Arapahoe County, Colorado, specifying the additional Lots to be annexed.

5. Exhibit A to the Declaration is hereby amended to read as follows:

PARCEL A

Lots 9 through 16, inclusive, Block 2, MANCHESTER PARK SUBDIVISION, FILING NO. 1, County of Arapahoe, State of Colorado.

PARCEL B

All of Block 2, MANCHESTER PARK SUBDIVISION, FILING NO. 1, except Lots 1 through 40, inclusive, Block 2, County of Arapahoe, State of Colorado, sometimes known and designated as Tract B, Block 2 according to recorded Plat recorded January 29, 1980, at Reception No. 1936308.

Except that portion deeded to the Manchester Park Townhome Homeowners Association, recorded in Book 3499, at Page 257.

County of Arapahoe, State of Colorado.

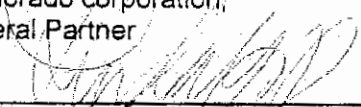
6. Except as modified herein, all other terms and conditions of the Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place, Ltd., are hereby ratified and restated.

EXECUTED this 24th day of September, 1994.

DECLARANT:

**Manchester Place, Ltd.,
a Colorado limited partnership**

By: Yip & Lu, Inc.,
a Colorado corporation,
General Partner

By: 
Linda Yip, Vice President

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS was acknowledged before me this 24th day of September, 1994, by Linda Yip, Vice President of Yip & Lu, Inc., General Partner of Manchester Place, Ltd.

Witness my hand and official seal.

My Commission expires: March 4, 1997

Cathy J. Dille
Notary Public

**Manchester Place Homeowners Association, Inc.,
a Colorado non-profit corporation**

By: E.S. Alba
E.S. Alba, President

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS was acknowledged before me this 24th day of September, 1994, by E.S. Alba, President of Manchester Place Homeowners Association, Inc.

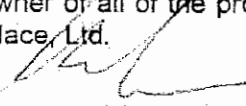
Witness my hand and official seal:

My Commission expires: March 6 1997

Cathy J. Zible
Notary Public

CERTIFICATION

THE UNDERSIGNED, Hank J. Vanderryst, Secretary of Manchester Place Homeowners Association, Inc., a Colorado non-profit corporation, hereby certifies that as of the date of this First Amendment the sole owner of all of the property described on Exhibit A hereto is the Declarant, Manchester Place, Ltd.



Hank J. Vanderryst, Secretary

STATE OF COLORADO)

) ss.


CITY AND COUNTY OF DENVER)

The foregoing FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS was acknowledged before me this 23rd day of September, 1994, by Hank J. Vanderryst, Secretary of Manchester Place Homeowners Association, Inc.

Witness my hand and official seal.

My Commission expires: 11-6-94





Notary Public

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS OF
MANCHESTER PLACE**

This Second Amendment to Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place ("Second Amendment") is made as of the 3rd day of March, 1995, by Manchester Place Limited, (also known as Manchester Place, Ltd.,) a Colorado limited partnership ("Declarant").

RECITALS

- A. On March 18, 1994, Declarant executed that certain Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place ("Initial Declaration") which Initial Declaration was recorded on March 21, 1994, in Book 7465, at Page 108, of the records of the Clerk and Recorder for Arapahoe County, Colorado (hereinafter, "Arapahoe County Records").
- B. The Initial Declaration was modified by that certain First Amendment To Declaration of Covenants, Conditions, Restrictions And Easements of Manchester Place, dated September 24, 1994, recorded on September 29, 1994, in Book 7722, at Page 219, of the Arapahoe County Records ("First Amendment").
- C. The Initial Declaration, as modified by the First Amendment, is hereinafter referred to as the "Declaration."
- D. In the Declaration, the Declarant reserved the right to annex additional "Lots" to the "Property" as those terms are defined in the Declaration.
- E. Declarant is the Owner of the following Lots which Declarant desires to annex and subject to the covenants, conditions, restrictions and easements of the Declaration ("First Annexed Lots"):

LOTS 1 THROUGH 8, INCLUSIVE,
BLOCK 2,
MANCHESTER PARK SUBDIVISION, FILING NO. 1,
COUNTY OF ARAPAHOE,
STATE OF COLORADO.

- F. The First Annexed Lots are a group of eight (8) Lots on which a cluster of eight (8) townhouses have been built.

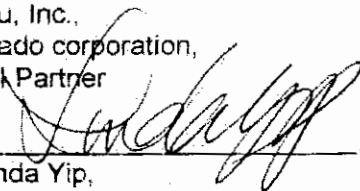
NOW THEREFORE, pursuant to the Declaration and Colorado law, the Declarant hereby amends the Declaration as follows:

1. The First Annexed Lots are annexed to the Property as described in the Declaration, and shall be held, sold and conveyed, subject to the covenants, conditions, restrictions and easements set forth in the Declaration.
2. A Certification Of Completion, stating that all buildings located upon the First Annexed Lots exist, is attached hereto as Exhibit A, and incorporated herein.
3. Except as modified herein, all other terms and conditions of the Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place, as modified by the First Amendment are hereby ratified and restated.

Executed by the Declarant as of the date set forth above.

**MANCHESTER PLACE LIMITED,
A COLORADO LIMITED PARTNERSHIP**

By: Yip & Lu, Inc.,
a Colorado corporation,
General Partner

By: 
Linda Yip,
Vice President



State of Colorado)
) ss.
City and County of Denver)

The foregoing Second Amendment To Declaration Of Covenants, Conditions, Restrictions And Easements was acknowledged before me this 10th day of March, 1995, by Linda Yip, as Vice President of Yip & Lu, Inc., a Colorado corporation, as General Partner of Manchester Place Limited, a Colorado limited partnership.

Witness my hand and official seal.

My Commission expires: 6-23-97

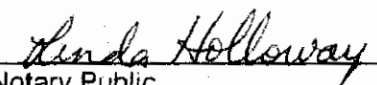

Notary Public

EXHIBIT A

CERTIFICATION OF COMPLETION

I hereby certify that all of the buildings located upon the following real property do indeed exist.

Lots 1-8 inclusive,
Block 2,
Manchester Park Subdivision, Filing No. 1,
County of Arapahoe,
State of Colorado.

Dated this 27th day of February, 1995.

William Kondracki
William Kondracki, PLS # 29043



Date 2/27/95

THIRD AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENT OF
MANCHESTER PLACE

This Third Amendment to Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place ("Third Amendment") is made as of the 23rd day of September, 1999 by Homestead Land Lease, Incorporated, (also known as Homestead Land Lease, Inc.), a Colorado corporation ("Successor Declarant").

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10.00 DOC FEE: 0.00
TRACY K. BAKER
ARAPAHOE COUNTY

RECITALS

- A. On March 18, 1994, Declarant executed that certain Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place ("Initial Declaration") which Initial Declaration was recorded on March 21, 1994, in Book 7465 at Page 108 of the records of the Clerk and Recorder for Arapahoe County, Colorado (hereinafter "Arapahoe County Records").
- B. The Initial Declaration was modified by that certain First Amendment To Declaration of Covenants, Conditions, Restrictions and Easements of Manchester Place, dated September 24, 1994, recorded on September 29, 1994, in Book 7722 at Page 219, of the Arapahoe County Records ("First Amendment").
- C. The Initial Declaration as modified by the First Amendment, is hereinafter referred to as the "Declaration".
- D. In the Declaration, the Declarant reserved the right to annex additional "Lots" to the "Property" as those terms are defined in the Declaration.
- E. Declarant completed the annexation of the "First Annexed Lots" by that certain Second Amendment to the Declaration of Covenants, Restrictions and Easements of Manchester Place dated March 6, 1995, recorded on March 9, 1995, in Book 7883 at Page 749 of the Arapahoe County Records ("Second Amendment").
- F. On April 16, 1998, Declarant executed that certain Warranty Deed and attached Exhibit A ("Deed") which Deed was recorded on April 22, 1998 at reception #A8058473 of the Arapahoe County Records, designating Homestead Land Lease, Incorporated, (also known as Homestead Land Lease, Inc.), a Colorado corporation, Successor Declarant.
- G. Successor Declarant is the owner of the following Lots which Successor Declarant desires to annex and subject to the covenants, conditions, restrictions and easements of the Declaration ("Second Annexed Lots"):

LOTS 17 THROUGH 24, INCLUSIVE
BLOCK 2,
MANCHESTER PARK SUBDIVISION FILING NO. 1,
COUNTY OF ARAPAHOE,
STATE OF COLORADO,

2 d

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BYLAWS OF
MANCHESTER PLACE HOMEOWNERS ASSOCIATION, INC.

THIS AMENDMENT is executed on this 11th Day of December, 2001, by
MANCHESTER PLACE HOMEOWNERS ASSOCIATION, INC.

WITNESSETH,

WHEREAS, on the 3rd day of May, 1995, the directors of MANCHESTER PLACE HOMEOWNERS ASSOCIATION, INC. set their hand on the Association's Bylaws; and

WHEREAS, MANCHESTER PLACE HOMEOWNERS ASSOCIATION, INC. desires to amend these Bylaws pursuant to Article XIII, Section 13.1 thereof:

NOW THEREFORE, Article III, Section 3.4 Quorum is hereby amended to read as follows:

The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of each class of Membership entitled to vote at such meeting shall constitute a quorum...

IN WITNESS WHEREOF, the undersigned, being the President of MANCHESTER PLACE HOMEOWNERS ASSOCIATION, INC. has hereunto set its hand and seal this 11th day of December, 2001.

MANCHESTER PLACE HOMEOWNERS ASSOCIATION, INC.
A Colorado Corporation

By: Iola Horton
Iola Horton, President

STATE OF COLORADO)
) SS
COUNTY OF ARAPAHOE)

Before me, the undersigned, a Notary Public in and for the said County and State, on this day personally appeared Iola Horton, President of MANCHESTER PLACE HOMEOWNERS ASSOC. INC., a Colorado corporation, known to me as the person whose name is subscribed to the foregoing instrument.

Given under my hand and seal of office this 11th day of December, 2001.

Eugene M. Hume
Notary Public
My commission expires: October 11, 2004

