

**DECLARATION OF
COVENANTS,
CONDITIONS,
AND RESTRICTIONS
OF SHENANDOAH ON SMOKY HILL**

Note: Includes amendments dated June 21, 1974. and May 15, 1975. L.F.

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF SHENANDOAH ON SMOKY HILL**

THIS DECLARATION, made on the date hereinafter set forth by WITKIN HOMES, INC., A Delaware corporation, hereinafter referred to as "Declarant."

WITNESSETH:

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

SHENANDOAH ON SMOKY HILL, a part of Section 8, Township 5 South, Range 66 West, 6th P.M., City of Aurora, according to the plat thereof recorded April 19, 1973, in the Office of the Clerk and Recorder of Arapahoe County in Book 24 at Pages 32, 33 and 34, and SHENANDOAH ON SMOKY HILL SUBDIVISION, Filing Number 2 a part of Section 8, Township 5 South, Range 66 West, 6th P.M., City of Aurora, according to the plat thereof recorded February 11, 1974, in the office of the Clerk and Recorder of Arapahoe County in Book 25 at Page 97,

and,

WHEREAS, Declarant will convey the said property, subject to the protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

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

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to SHENANDOAH ON SMOKY HILL ASSOCIATION, a Colorado non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area is to be owned by the Association at the time of the conveyance of the first lot, free and clear of all encumbrances, is described as:

Tracts "A" and "D", Shenandoah on Smoky Hill, and Tracts "A", "B", "C", and "D", Shenandoah on Smoky Hill Subdivision, Filing No. 2.

Section 5. "Lot" shall mean and refer to a building site, together with the improvements thereon, title to which is or will be conveyed in fee simple by reference to the numbered plots of land shown upon the recorded subdivision map of the Properties, with the exception of the Common Area.

Section 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 7. "Declarant" shall mean and refer to Witkin Homes, Inc., a Delaware corporation.

ARTICLE II

Property Rights

Section 1. Owners' Easements of Enjoyment. Every Owner shall have 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 following provisions:

- (a.) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area, and to limit the number of guests of Owners on recreational facilities;
- (b.) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c.) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members and all holders of first mortgage, deed of trust or equivalent liens of record on all lots agreeing to such dedication or transfer has been recorded.
- (d.) Declarant shall have the right at any time to use so much of the Common Area as it may deem necessary or advisable for the purpose of aiding in the construction, development and sales of the Lots.

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

ARTICLE III

Membership and Voting Rights

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2.

- (a) All owners of Lots shall be members of Association and shall be entitled to one vote for each Lot. 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 as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

- (b) Notwithstanding any other provisions expressly or impliedly to the contrary contained in this Declaration, the Articles of Incorporation or Bylaws of the Association, Declarant reserves the right to exercise the rights, duties and functions of the Board of Directors of the Association until all of the Lots in the entire project have been sold. During such period of development and sale, the monthly assessment for common expenses shall be based upon estimated cost, and may include an estimated amount for contingencies, reserves or sinking funds. Declarant shall not be required to pay the monthly assessment on those Lots in its ownership but shall pay the balance of the actual common expenses incurred; that is, the actual common expenses less the monthly assessments on those Lots not owned by the Declarant.

ARTICLE IV

Covenant for Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) annual assessments or charges, and
- (2) special assessments for capital improvements, such assessments to be fixed, established and collected as hereinafter provided.

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

Section 2. Purpose of Assessments. The Assessments levied by the Association through its Board of Directors shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties; and, further, for the purpose of maintaining guest parking spaces, landscaped parking islands, and any such other maintenance or improvement obligations deemed desirable or which may be incurred by virtue of agreement with City, County or other governmental authorities. The assessments shall further be used to provide adequate insurance of any and all types and amounts deemed necessary by the Board of Directors with respect to the Common Area and public ways and to provide such reserves as may be deemed necessary in order to accomplish the objects and purposes of the Association.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Six Hundred (\$600) Dollars Per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten

percent (10%) by a vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for such purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Costs and Charges for Water and Sewer. All costs and charges for domestic water and sanitary sewer services supplied to each Owner shall be billed directly to each Owner and paid by each Owner directly to the agency furnishing such water and sewer services.

Section 5. Effect of Nonpayment of Assessments - Remedies of the Association. The Association may provide for the payment of the assessment in monthly or quarterly installments. Any assessment installment which is not paid when due shall be delinquent. If the assessment installment is not paid within thirty (30) days after the due date, the assessment installment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the delinquent installments. In addition to such action or as an alternative thereto, the Association may file with the Clerk and Recorder of the County wherein the property is situate, a Statement of Lien with respect to the property, setting forth the name of the Owner, the legal description of the property, the name of the Association, and the amount of delinquent assessments then owing, which Statement shall be duly signed and acknowledged by the President or a Vice President of the Association, and which shall be served upon the Owner of the Property by mail to the address of the property or at such other address as the Association may have in its records for the Owner of the Property. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action, the interest, costs and reasonable attorney's fees with respect to the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 6. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot as a result of court foreclosure of a mortgage, foreclosure through the Public Trustee, or any proceeding in lieu of foreclosure, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer, but shall not relieve any former Owner of personal liability therefore. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 7. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

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

ARTICLE V

Architectural Control Committee

Section 1. The Architectural Control Committee shall consist of five (5) persons appointed by the Board of Directors of the Association, provided, however, that until the entire project is completed and all Lots have been sold, Declarant shall appoint the Architectural Control Committee.

Section 2. Review by Committee. No structure or any attachment to an existing structure, whether a residence, an accessory building, a tennis court, a swimming pool, an antenna, exterior lighting facilities, athletic facility, or other similar improvements or attachments, shall be constructed or maintained upon the Properties and no alteration to the exterior of a structure shall be made and no landscaping which results in a change in the grade of any of the Properties in relationship to adjoining parts of the Properties shall be performed, unless complete plans and specifications therefore (said plans and specifications to show exterior design, height, materials, color, location of the structure or addition to the structure, plotted horizontally and vertically, location and size of driveways, general plan of landscaping, fencing, walls, windbreaks and the grading plan) shall have been submitted to and approved in writing by the Architectural Control Committee. A copy of such plans and specifications as finally approved shall become the property of the Architectural Control Committee.

Section 3. Conformance with Plan. The Architectural Control Committee shall exercise its best judgment all to the end that all attachments, improvements, construction, landscaping and alterations to structures and on lands within the Properties conform to and harmonize with existing surroundings and structures.

Section 4. Procedures. The Architectural Control Committee shall approve or disapprove all plans within thirty (30) days after submission. In the event that the Architectural Control Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 5. Vote. A majority vote of the Architectural Control Committee is required to approve a proposed improvement.

Section 6. Records. The Architectural Control Committee shall maintain written records of all applications submitted to it and of all actions taken by it thereon, and such records shall be available to members for inspection at reasonable hours of the business day.

Section 7. Liability. The Architectural Control Committee shall not be liable in damage to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove in regards to any matter within its jurisdiction hereunder.

Section 8. Variances. The Architectural Control Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or Article VI hereof in order to overcome practical difficulties and prevent unnecessary hardships arising by reason of the application of the restrictions contained in this Article or Article VI hereof. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood and shall not militate against the general intent and purposes hereof.

ARTICLE VI

Restrictions

Section 1. General Plan. It is the intention of the Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Properties which shall be binding on and inure to the benefit of the Owners and future Owners of the Properties, all thereof in order to enhance value, desirability and attractiveness of said property and to subserve and promote the sale thereof.

Section 2. Restrictions Imposed. The Declarant hereby declares that all of the Properties shall be held and shall henceforth be sold, conveyed, used, improved, occupied, resided upon, hypothecated and held upon and subject to the following provisions, conditions, restrictions, agreements and covenants.

Section 3. Use of Common Area.

(a) No use shall be made of the Common Area which will in any manner violate the statutes, rules or regulations of any governmental authority having jurisdiction over the Common Area.

(b) No Owner shall place any structure whatsoever upon the Common Area, nor shall any Owner engage in any activity which will temporarily or permanently deny free access to any part of the Common Area to all Members.

(c) The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association.

(d) No use shall ever be made of the Common Area which will deny ingress and egress to those Owners having access to Lots only over Common Area and the right of ingress and egress to said Lots by vehicle and otherwise is hereby expressly granted.

Section 4. Single Family Use. Except for Common Areas, all Lots shall be used for private family residence purpose only. No business or profession of any nature shall be conducted on any Lot or in any structure constructed thereon except as provided below.

(a) No building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single family dwelling not to exceed two and one-half stories in height and a private garage for not more than three cars, except that Declarant may use Lots and houses erected thereon for show homes and sales offices, field construction offices, storage facilities and general business offices.

Section 5. Rentals. No room or rooms in any residence or parts thereof may be rented or leased and no paying guests shall be quartered in any residence. Nothing contained, however, shall be construed as preventing the renting or leasing of an entire residence as a single unit to a single

family. Within 10 days, notice of such renting or leasing shall be made to the Board of Directors.

Section 6. Animals. No horses, cattle, sheep, goats, pigs, rabbits, poultry, or other animals of any description shall be kept or maintained on any property subject hereto except that residents may keep dogs, cats or other animals which are bona fide household pets so long as such pets are not kept for commercial purposes and do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any of the residents of adjacent property.

Section 7. Temporary Structures. No temporary house, trailer, tent, garage or outbuilding shall be placed or erected upon any part of the Properties, and no residence placed or erected upon any Lot shall be occupied in any manner at any time prior to its being fully completed in accordance with approved plans nor shall any residence when completed be in any manner occupied until made to comply with all requirements, conditions and restrictions herein set forth; provided, however, that during the actual construction or alteration of a building on any Lot, necessary temporary buildings for storage of materials may be erected and maintained by the person doing such work. The work of constructing, altering, or remodeling any building on any part of the property shall be prosecuted diligently from the commencement thereof until the completion thereof.

Section 8. Fences - Walls. No fence or wall except a decorative wood, stone or brick fence not exceeding six feet in height measured from the adjoining ground surface inside the fence, may be erected or maintained on any Lot. Boundary planting along any Lot lines, except trees with single trunks, shall not be permitted to grow higher than six (6) feet. No walls, fences or hedges will be permitted on the street frontage beyond the set back line unless permission is granted by the Architectural Control Committee.

Section 9. Burning. No coal or other type of fuel which gives off smoke except wood or charcoal shall be used for heating, cooking or any other purposes and no trash or garbage shall be burned on the premises.

Section 10. Miscellaneous Structures. No advertising or signs of any character shall be erected, placed, permitted or maintained on any Lot other than a name plate of the occupant and a street number and except for a "for sale" or "for rent" sign not exceeding the size permitted in residential areas in the City of Aurora. All types of refrigerating, cooking or heating apparatus must be concealed. No garbage or trash cans or receptacles shall be maintained in an exposed and unsightly manner. All antennas shall be installed inside the improvement on any Lot, and no aerial masts, radio or television antennas shall be mounted on the exterior of a structure except with the written consent of the Architectural Control Committee.

Section 11. Property to be Maintained. Each Lot at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Lot so they are visible from any neighboring Lot or street, except as necessary during the period of construction. In the event any structure is destroyed either wholly or partially by fire or any other casualty, said structure shall be promptly rebuilt or remodeled to conform to this

Declaration or all remaining portions of the structure, including the foundations, and all debris shall be promptly removed from the property. Each Lot shall at all times be kept clear of weeds and other unsightly growth.

Section 12. Lots Not to be Subdivided. No Lot or Lots shall be subdivided, except for the purpose of combining portions with an adjoining Lot, provided that no additional building site is created thereby. Not less than one entire Lot as conveyed shall be used as a building site.

Section 13. Underground Electric Lines. All electric, television, radio and telephone line installations and connections from a Lot Owner's property line to a residence or other structures shall be placed underground, except that during the construction of a residence the contractor or builder may install a temporary overhead utility line which shall be promptly removed upon completion of construction.

Section 14. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property nor shall anything be done or placed on any property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others.

Section 15. No Hazardous Activities. No activities shall be conducted on the Properties and on improvements constructed on the properties which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property; and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purpose or within a safe and well-designed interior fireplace or except such campfires or picnic fires on property designated for such by the Association and except such controlled and attended fires required for clearing or maintenance of land.

Section 16. No Annoying Light/ Sounds or Odors. No light shall be emitted from any property which is unreasonably bright or causes unreasonable glare; no sound shall be emitted on any property which is unreasonably loud or annoying; and no odor shall be emitted on any property which is noxious or offensive to others.

Section 17. Restrictions on Parking and Storage. Except as expressly heretofore provided, no Lot, including the streets adjoining a site, shall be used as a parking, storage, display or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat or accessories thereto, motor driven cycle, truck or any type of van except as a temporary expedience for loading, delivery, emergency, etc. The same shall be stored, parked or maintained wholly within the garage area of the improved site with the garage door in a closed position or in the back yard concealed from the street by means of a fence or other acceptable screen.

Section 18. Height Restrictions. No structure shall be erected or maintained on any Lot which is in excess of thirty-five feet in height. Height shall be the vertical distance of the structure measured from the lowest point of a finished grade on the Lot within 10 feet of the structure to the uppermost point of the structure. Chimneys and private television antennas, if allowed, shall be excluded in determining the height of a structure.

Section 19. Dwelling Cost, Quality and Size. No dwelling shall be permitted on any Lot at a cost of less than \$30,000.00, based on a cost level prevailing on the date this instrument is recorded, it being the intention and purpose hereof to assure that all dwellings shall be of a quality of workmanship and materials substantially the same or better than that which can be produced on the date this instrument is recorded at the minimum cost stated herein for the minimum permitted dwelling size. The ground floor shall be not less than 1,800 square feet for a one-story dwelling, nor less than 1,400 square feet on the main and upper level of a split-level dwelling, nor less than 1,000 square feet on the main floor for a dwelling of more than one story.

Section 20. Clothes Lines and Storage. No clothes lines, dog runs, drying yards, service yards, wood piles or storage areas shall be so located as to be visible from a street and/or public view.

Section 21. Garbage and Refuse Disposal. No garbage, refuse rubbish or cuttings shall be deposited on any street, and not on any Lot unless placed in a suitable container suitably located, solely for the purpose of garbage pickup. All equipment for the storage or disposal of such material shall be kept in clean and sanitary condition.

Section 22. Repair. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind may be performed unless it is done within completely enclosed garages or other structures located on the Lot which screen the sight and sound of the activity from the street and from adjoining property. The foregoing restriction shall not be deemed to prevent washing and polishing of such motor vehicle, boat, trailer or motor driven cycle together with those activities normally incident and necessary to such washing and polishing.

Section 23. Tanks. No tanks of any kind, either elevated or buried, shall be erected, placed or permitted upon any site.

Section 24. Garage Doors. All garage doors shall be kept in a closed position so that the contents therein are concealed from view from any other sites, from any Common Area and from the streets.

Section 25. Roof Top Appliances. Evaporator coolers and other installations upon the roofs of structures shall not be permitted unless they are installed in such manner that they are not visible from other sites or have been approved by the Architectural Control Committee.

Section 26. Sight Distance at Intersections. No fence, wall hedge or shrub planting which obstructs sight lines at elevations between two and six feet above roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 30 feet from the intersection of the street lines, or, in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 27. Maintenance of Slopes. Each owner shall maintain the slopes upon his lot at the slope and pitch fixed by the finish grading thereof, including maintenance and landscaping of the slopes.

Section 28. Maintenance of Drainage Pattern. Each owner of a Lot in said tract agrees for himself and his assigns that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots in said tract, or that he will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his Lot. For the purpose hereof, "established" drainage is defined as the drainage which occurred at the time the overall grading of said tract was completed by the undersigned Declarant.

ARTICLE VII

Easements

The easements over and across the Common Area shall be those shown or provided for upon the recorded plat of- SHENANDOAH ON SMOKY HILL and SHENANDOAH ON SMOKY HILL SUBDIVISION, Filing No. 2 and such other easements as may be established pursuant to the provisions of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE VIII

General Provisions

Section 1. Enforcement. The Association, or any other Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Membership Succession. Any person, firm, corporation or other entity which shall succeed to the title of any Owner through foreclosure of a Deed of Trust or other type of security instrument or through other legal proceedings, shall upon issuance of the official deed to any Lot, become thereupon a member of the Association as Owner and shall succeed to the rights, duties and liabilities of the previous Owner as herein provided. Conveyance by such person, firm, corporation or other entity shall pass membership in the Association to the Buyer as herein provided.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

Section 4. Water and Sewer Assessments. Lot Owners shall be billed directly for water and sewer services to his respective Lot, and each such Owner shall pay such charges directly to the appropriate billing agency. Water and/or sewer services used for and upon the Common Area shall be billed to the Association, and shall be a part of the Annual Assessment.

Section 5. Declarant's Easements. Anything to the contrary herein notwithstanding, Declarant hereby reserves an easement and right-of-way over all Common Area and all Lots not conveyed for its sole use for the purpose of constructing improvements, utilities and other matters including the right to erect temporary buildings to store any and all materials.

Section 6. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of the members and all holders of first mortgage, deed of trust or equivalent liens of record on all lots.

Section 7. The Association may engage the services of a professional manager whose duties shall include, but not be limited to, some or all of the following:

- (a) Maintenance of the Common Area;

(b) Operation and maintenance of the recreational facilities.

The cost of any such professional management shall be included in the assessments herein provided for.

Section 8. The Association, through its Board of Directors, shall obtain insurance for the common facilities and area for liability and against loss or damage by fire and such other hazards as are generally covered in the area under standard extended coverage provisions for at least the full insurable replacement costs of the recreational facilities and other common elements and the cost of such shall be included in the assessments herein provided for.

Section 9. The terms of a Letter Agreement entered into between the Association and the Federal National Mortgage Association as recorded in Book 2335 at Page 215 in the office of the Clerk and Recorder of Arapahoe County, Colorado, is incorporated as though fully set forth herein.