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MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

FOREST PARK

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MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR  
FOREST PARK

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MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

FOREST PARK

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR FOREST PARK (the "Master Declaration"), is made as of the 15th day of December, 1996, by ANTHEM CASTLE PINES DEVELOPMENT L.P., a Colorado limited partnership (the "Declarant").

ARTICLE 1

GENERAL

1.1 Community Area. Declarant is the owner of that certain parcel of land in the County of Douglas, State of Colorado, more particularly described on Exhibits A and C attached hereto and incorporated herein by reference, which is defined in this Master Declaration as the "Community Area." Declarant intends to develop the Community Area, including any property which may be annexed to the Community Area as provided herein, as a planned community of single family residential homes.

1.2 Purposes of Master Declaration. Property which is subject to this Master Declaration in the manner hereinafter provided shall be referred to as the Community Area. This Master Declaration is executed (a) in furtherance of a common and general plan for the Community Area; (b) to protect and enhance the quality, value, aesthetic, desirability, attractiveness and sensitive elements of the environment of the Community Area; (c) to maintain wildlife migration routes and habitat and to protect wildlife within the Community Area; (d) to provide for a Master Association as a vehicle to hold, maintain, care for and manage Master Association Properties, including internal landscaped areas to benefit all Owners of Sites; (e) to define the duties, powers and rights of the Master Association; and (f) to define certain duties, powers and rights of Owners of Sites within the Community Area.

1.3 Master Declaration. Declarant, for itself, its successors and assigns, hereby declares that the entire Community Area and all other property which becomes subject to this Master Declaration in the manner hereinafter provided, and each part thereof, shall, from the date the same becomes subject to this Master Declaration, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Master Declaration, for the duration hereof, all of which are declared to be part of, pursuant to, and in furtherance of a common and general plan of development,

improvement; enhancement and protection of the Community Area. The provisions of this Master Declaration are intended to and shall run with the land and, until their expiration in accordance with the terms hereof, shall bind, be a charge upon and inure to the mutual benefit of: (a) all of the property which is now or becomes part of the Community Area and each part or parcel thereof, (b) Declarant and its successors and assigns, (c) the Master Association and its successors and assigns, and (d) all Persons having or acquiring any right, title or interest in any property which becomes part of the Community Area or any part or parcel thereof or any Improvement thereon and their heirs, personal representatives, successors and assigns.

1.4 Applicability of Colorado Common Interest Ownership Act. The Community Area constitutes a Planned Community under the Colorado Common Interest Ownership Act (the "Act") and, as such, is subject to the applicable provisions of the Act. This Master Declaration shall be construed and enforced in accordance with the applicable provisions of the Act, as amended from time to time.

## ARTICLE 2

### DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used in this Master Declaration shall have the meanings hereinafter specified.

2.1 Act. "Act" shall mean the Colorado Common Interest Ownership Act as provided in C.R.S. § 38-33.3-101, et seq., as the same may be from time to time amended.

2.2 Administrative Functions. "Administrative Functions" shall mean all functions as are necessary and proper under this Master Declaration and shall include, without limitation, providing management and administration of the Master Association; providing architectural review services under Article 4 hereof; incurring reasonable attorneys' fees and accountants' fees; obtaining errors and omissions insurance for officers, directors, and agents of the Master Association; obtaining fidelity bonds for any Person handling funds of the Master Association; paying taxes levied against the Master Association Properties; incurring filing fees, recording costs, and bookkeeping fees; obtaining and maintaining offices and office furniture and equipment; and performing other such reasonable and ordinary administration tasks associated with operating the Master Association.

2.3 Articles of Incorporation. "Articles of Incorporation" shall mean the Articles of Incorporation of Forest Park Master Association, which have been or will be filed in the office of the Secretary of State of the State of Colorado, as the same may be amended from time to time.

2.4 Assessment. "Assessment" shall mean a Common Assessment, Special Assessment, or a Reimbursement Assessment.

2.5 Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Master Association.

2.6 Budget. "Budget" shall mean a written itemized estimate of the expenses to be incurred by the Master Association in performing its functions under this Master Declaration and prepared pursuant to Section 9.5 of this Master Declaration.

2.7 Building Envelope. "Building Envelope" shall mean that portion of any Site which is designated on the plat as the area within which improvements may be constructed.

2.8 By-Laws. "By-Laws" shall mean the By-Laws of the Master Association which have been or will be adopted by the Board of Directors of the Master Association, as the same may be amended from time to time.

2.9 Common Area. "Common Area" shall mean any portions of the Community Area designated as Common Area on Exhibit C, identified as a tract or improvement to be maintained by the homeowners association on a plat or instrument recorded by Declarant for any part of the Community Area or conveyed to the Master Association by the Declarant, which are owned or maintained by the Master Association for the common use and enjoyment of the Owners and for the maintenance and protection of wildlife and wildlife habitat and migration routes located within the Community Area, including, but not limited to, landscaped and open areas along roadways, ponds, natural drainage ways, landscaped areas, perimeter fences, if any, located within or adjacent to landscaped and open areas along roadways, signs and entryway landscaping and features for the Community Area, pool, tennis courts, community center and other recreational facilities, parks or other open space, and easements for the use and benefit of the Owners as may be provided in this Master Declaration. Such Common Area may be owned: (a) by the Master Association; (b) by individual Owners over which the Master Association may have an easement for maintenance purposes; or (c) by the County. For purposes of the Act, the Common Area and additional common areas created pursuant to any supplemental Declaration shall be deemed to be the only "Common Elements" within the Community Area. The Declarant or Principal Builders may add land to the Common Area in connection with the annexation of additional land to the Community Area.

2.10 Common Assessment. "Common Assessment" shall mean the assessments made for the purpose of covering the portion of the annual costs of operating the Master Association, including expenses incurred in connection with any authorized function of the Master Association, which are to be paid by each Owner to the Master Association for

purposes provided herein and charged to such Owner and to the Site of such Owner. Any Subassociation may impose additional assessments pursuant to the provisions of a Supplemental Declaration.

2.11 Community Area. "Community Area" shall mean the real property which is subject to this Master Declaration.

2.12 County. "County" means the County of Douglas, State of Colorado, acting through such body or agency which has authority over a particular matter.

2.13 Master Declaration. "Master Declaration" shall mean this instrument as it may be amended from time.

2.14 Declarant. "Declarant" shall mean Anthem Castle Pines Development, L.P., a Colorado limited partnership, its successors and assigns. A Person shall be deemed to be a "successor and assign" of Anthem Castle Pines Development, L.P., as Declarant only if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Master Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Master Declaration which are specifically designated in the written instrument. However, a successor to Anthem Castle Pines Development, L.P. by consolidation or merger shall automatically be deemed a successor or assign of Anthem Castle Pines Development, L.P., as Declarant under this Master Declaration.

2.15 Deed of Trust. "Deed of Trust" shall mean a Mortgage.

2.16 Design Review Committee. "Design Review Committee" shall mean the Committee provided for in Article 4 of this Master Declaration.

2.17 Improvement. "Improvement" shall mean all structures and any appurtenances thereto and equipment of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, walkways, outdoor sculptures or artwork, sprinkler pipes, garages, carports, basketball poles and/or backboards, playground equipment, flagpoles, clotheslines, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, exterior air conditioning and water softener fixtures.

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2.18 Improvement to Property. "Improvement to Property" shall mean any Improvement, change, alteration, or addition to any property within the Community Area. "Improvement to Property" is more particularly defined in Section 4.2 of this Master Declaration.

2.19 Leases. "Lease" shall mean and refer to any agreement for the leasing or rental of a Site, and shall specifically include, without limitation, a month-to-month rental.

2.20 Maintenance Funds. "Maintenance Funds" shall mean the accounts into which the Board shall deposit monies paid to the Master Association and from which disbursements shall be made in the performance of the functions of the Master Association pursuant to Article 8 hereof.

2.21 Master Association. "Master Association" shall mean the Forest Park Master Association, a Colorado non-profit corporation, its successors and assigns.

2.22 Master Association Properties. "Master Association Properties" shall mean all the real property described in Exhibit C and all other real and personal property, if any, including Improvements and all Common Areas, now or hereafter owned by the Master Association or with respect to which the Master Association holds an easement for the use, care, or maintenance thereof, or for which the Master Association has a right to maintain, held for the common use and enjoyment of its Members as provided herein, and for other purposes as may be permitted by this Master Declaration.

2.23 Member. "Member" shall mean the Person or, if more than one, all Persons collectively who constitute the Owner of a Site.

2.24 Mortgage. "Mortgage" shall mean any mortgage or deed of trust or other such instrument, given voluntarily by the Owner of a Site, encumbering the Site to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage." "First Mortgage" shall mean a Mortgage which has priority over all other security interests in a Lot, other than statutory liens for taxes and special assessments, and shall include an executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether recorded or not.

2.25 Mortgagee. "Mortgagee" shall mean a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee. "First Mortgagee" shall mean any person named as the mortgagee or

beneficiary under any First Mortgage, or any insurer or guarantor of a First Mortgage, including the Administrator of Veterans Affairs (Veterans Administration).

2.26 Mortgagor. "Mortgagor" shall mean the Person who mortgages his or its property to another (i.e., the maker or grantor of a Mortgage). The term "Mortgagor" shall include a trustor or grantor under a Deed of Trust.

2.27 Notice of Completion. "Notice of Completion" shall mean written notice to the Design Review Committee of the completion of any Improvement to Property pursuant to Article 4 of this Master Declaration.

2.28 Owner. "Owner" shall mean the Person, including Declarant, or, if more than one, all Persons collectively, who hold fee simple title of Record to a Site, including sellers under executory contracts of sale and excluding buyers thereunder.

2.29 Person. "Person" shall mean a natural person, a corporation, a partnership, or any other entity.

2.30 Planned Community. "Planned Community" shall have the same meaning as set forth in the Act.

2.31 Plat. "Plat" shall mean the final plat which includes a Site or Common Area and which has been approved by the Board of County Commissioners of the County and Recorded.

2.32 Principal Builder. "Principal Builder" shall mean an owner which acquires one or more vacant Sites for the purpose of developing infrastructure on such Sites for sale to another Principal Builder and/or construction of a principal residence thereon and resale to the ultimate purchaser. Principal Builder shall include all homebuilders designated as a Principal Builder in writing by Declarant. Such writing also may assign to the Principal Builder designated therein some or all of the rights of the Declarant which may be exercised in connection with the development of Sites acquired by such Principal Builder.

2.33 Record or Recorded. "Record" or "Recorded" shall mean the filing for record of any document in the office of the Clerk and Recorder of the County of Douglas, Colorado.

2.34 Reimbursement Assessment. "Reimbursement Assessment" shall mean a charge against a particular Owner and his Site for the purpose of reimbursing the Master Association for expenditures and other costs of the Master Association in curing any violation, directly attributable to the Owner, of the Master Declaration or the Rules and

Regulations, pursuant to Section 9.10 hereof, together with late charges and interest as provided for herein.

2.35 Rules and Regulations. "Rules and Regulations" shall mean rules and regulations adopted by the Board of Directors as provided in Section 8.16 of this Master Declaration.

2.36 Site. "Site" shall mean any lot or parcel of land within the Community Area which is shown upon any Recorded plat map or any other parcel of land which may be sold or conveyed without violation of the provisions of Colorado law pertaining to the subdivision of land. "Site" shall not include: (a) any property owned by a public body, (b) the Master Association Properties, or (c) any Common Area as defined herein.

2.37 Special Assessment. "Special Assessment" shall mean a charge against each Owner and his Site representing a portion of the costs of the Master Association for the purpose of funding major capital repairs, maintenance, replacements, and Improvements, pursuant to Section 9.09 hereof.

2.38 Subassociation. "Subassociation" shall mean any association of Owners created pursuant to a Supplemental Declaration which encumbers a portion of the Community Area and whose members are comprised of less than all of the members of the Master Association.

2.39 Supplemental Declaration "Supplemental Declaration" shall mean a declaration executed by Declarant or a Principal Builder which establishes additional provisions governing and encumbering a portion of the Community Area. Any Supplemental Declaration shall comply with the requirements of Article 12 hereof.

### ARTICLE 3

#### GENERAL RESTRICTIONS APPLICABLE TO COMMUNITY AREA

All real property within the Community Area shall be held, used and enjoyed subject to the following limitations and restrictions, and subject to exemptions of Declarant set forth in this Master Declaration. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Design Review Committee if such strict application would be unreasonably or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Design Review Committee.

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3.1 Landscaping and Maintenance of Community Area. The Community Area is intended to be left in its natural state to the maximum extent feasible, except to the extent that a Lot is subject to an overlot grading plan approved by the Design Review Committee and, when required, approved by the County. All landscaping installed by Declarant, Principal Builder or individual Owners shall be consistent with the natural vegetation and environment within the Community Area. Non-native landscaping materials may be placed only within the Building Envelope within a Site, unless approved by the Design Review Committee and, when required, approved by the County. Landscaping in conformance with the foregoing requirements shall be installed by the Owner on the part of each Site disturbed during construction within one hundred twenty (120) days after approval of an Owner's landscape plan by the Design Review Committee, or within such longer period of time as may be approved by the Design Review Committee based upon consideration of weather conditions and other factors beyond the control of the Owner. Landscape plans shall be submitted to the Design Review Committee by an Owner (other than a Declarant or Principal Builder) within ninety (90) days after closing on the purchase of a Site.

Native vegetation on undisturbed portions of each Site shall be maintained by the Owner of such Site. No property within the Community Area shall be permitted to fall into disrepair, and all property within the Community Area, including any fences, Improvements and landscaping thereon, shall be kept and maintained in a clean, attractive, and sightly condition and in good repair. Maintenance, repair, and upkeep of each Site shall be the responsibility of the Owner of the Site. Maintenance, repair, and upkeep of Master Association Properties shall be the responsibility of the Master Association. Dead or dying landscape materials shall be replaced as soon as possible, taking into account weather conditions affecting the planting of replacement landscaping, and all landscaping shall be regularly maintained in a neat and trim manner.

Notwithstanding the foregoing provisions of this Section 3.1, a Supplemental Declaration may permit changes in native vegetation and the planting of non-native vegetation on a Site outside of the Building Envelope and on Common Areas subject to such Supplemental Declaration, provided that such Supplemental Declaration has been approved by the Declarant and requires approval of the design and location of such non-native materials by a design review committee and, when required by County regulations, approval of the County.

Each Owner of a Site shall be responsible for maintaining, repairing and replacing, in a reasonably attractive manner, any fence located on such Owner's Site. No trees, scrub oak, rock outcroppings or other natural features may be altered or removed from any Community Area or from any Site without the prior written consent of the Design Review Committee. Removal of trees, scrub oak, rock outcroppings and other natural features within the Community Area shall be minimized and discouraged and will be permitted by



the Design Review Committee in areas outside of Building Envelopes only for compelling reasons. If a fence, or portion thereof, is located on a lot line separating a Site from an adjoining public right-of-way, street, Common Area, Master Association Property or other property which is not an adjoining Site, then the Owner of such Site shall be responsible for maintaining, repairing and replacing, in a reasonably attractive manner, such fence or portion thereof. Any fence located on any of the Master Association Properties shall be maintained by the Master Association. The Master Association also shall maintain fences located on public rights-of-way when required by County regulations or approvals. Any Owner constructing, installing, erecting, modifying or replacing a fence shall obtain the prior approval of the Design Review Committee in accordance with the provisions of this Master Declaration.

Violation of this Section 3.1 by an Owner shall permit the Master Association to enter on the Site of the Owner and cure the violation or cause compliance with this provision and to levy and collect a Reimbursement Assessment for the costs and expenses of the Master Association in so doing; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy without the consent of the Owner thereof unless a clear emergency exists.

3.2 Property Uses. All Sites shall be used for private residential purposes. No dwelling erected or maintained within Community Area shall be used or occupied for any purpose other than for a single-family dwelling. Notwithstanding the foregoing, business activities associated with the sale of Sites or residences constructed thereon shall be allowed, including construction trailers, sales offices and model homes used by Declarant or a Principal Builder. In addition, in-home businesses not involving the servicing of customers or employees, other than the Owners, shall be allowed if permitted under applicable zoning and other regulations, provided such activities are conducted solely within the residence and do not create or result in any offensive or noxious activities, do not constitute a nuisance, and do not result in customers or clients coming to the residence for purposes related to the business.

3.3 Construction Type: Building Height. All construction shall be new. No building previously used at another location nor any building or structure originally constructed as a mobile dwelling or structure may be moved onto a Site, except as expressly hereinafter provided for temporary buildings. All buildings shall be no higher than thirty-five (35'), measured from the highest point of the finished grade on the perimeter of the residence, unless approved otherwise by the Design Review Committee in its sole discretion.

3.4 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Community Area, nor shall anything be done or

placed thereon which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others.

3.5 Annoying Sounds or Odors. No sound or odor shall be emitted from any property within the Community Area which is noxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, other than security devices used exclusively for security purposes, shall be located or used on any property except with the prior written approval of the Design Review Committee. All materials located upon a Site which create or cause an odor shall be removed immediately by the Owner of the Site.

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

3.7 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects, and conditions shall be enclosed within a structure, including snow removal equipment and garden or maintenance equipment except when in actual use. The Board may specify what conditions and objects constitute "unsightliness" by Rules and Regulations duly adopted by the Board.

3.8 Weeds. The grass in all yards and open spaces and the entire area of every Site on which no building has been constructed shall be maintained in an attractive condition. In addition, each Site shall be kept free from brush or other growth or trash which, in the reasonable opinion of the Design Review Committee, is unsightly or causes undue danger of fire.

3.9 Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub, or tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse, or debris of any kind shall be kept, stored, or allowed to accumulate on any Site except within an enclosed structure or appropriately screened from view, except that any container containing such materials may be placed outside at such times as may be necessary to permit garbage or trash pick-up. All trash containers shall have a cover that is resistant to bears and other wildlife that may be attracted to trash. The Board of the Master Association may prescribe the types of permitted trash containers by rules which shall be followed by all Owners after adoption.

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3.10 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Site, except that domesticated birds or fish and other small domestic animals permanently confined indoors (not including pot-bellied pigs and other animals capable of being domesticated that are excluded pursuant to rules and regulations adopted by the Board of the Master Association), and except an aggregate of not more than two domesticated dogs or cats (which must be fenced or restrained in the building envelope of a Site or kept inside the residence at all times within a Site), will be permitted within the Community Area. Pet fencing may include an invisible fence on or within the perimeter boundary of a Site. Any permitted pets may not be kept, bred, or maintained for any commercial purpose. Animals may not be leashed or allowed to run in the front yard or unfenced side yards of a Site. No animal of any kind shall be permitted which in the opinion of the Board of Directors makes an unreasonable amount of noise or odor, chases or otherwise harasses wildlife within the Community Area or adjacent public or private properties or is a nuisance. All household pets shall be controlled by their Owner and shall not be allowed off the Owner's Site except when properly leashed and accompanied by the pet Owner or his representative. Each Owner of a household pet shall be financially responsible and liable for any damage caused by said household pet to any Master Association Properties, to wildlife, to Sites owned by any other Persons, injuries to any Persons, or otherwise. Animal waste shall be cleaned up regularly and damaged landscaping shall be replaced as soon as the landscaping is visually unattractive, dead or dying. Within any Common Area or other natural area within the Community Area, animal waste deposited by an Owner's pet shall be immediately removed by such Owner.

3.11 No Temporary Structures. No tent, shack, storage shed, playhouse, satellite dish, antenna, temporary structure, or temporary building other than those placed within the Community Area by Declarant or a Principal Builder in connection with the sale of Sites or construction and sale of Improvements on Sites shall be placed upon any property within the Community Area except with the prior written consent of the Design Review Committee obtained in each instance, subject to such conditions or restrictions as may be required by the Design Review Committee. The Design Review Committee shall act on applications for approval of satellite dishes and antennae in accordance with the requirements of the Federal Telecommunications Act of 1996, and any applicable regulations adopted pursuant thereto, as such statute and regulations may be amended from time to time.

3.12 Restriction on Antennae, Pipes, Utility Lines and Transmitters. Pipes for water, gas, sewer, drainage, or other purposes, and wires, poles, aerials, antennae, satellite dishes and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities shall be kept and maintained, to the extent possible, underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antenna of any type shall be erected or maintained in the Community Area. Any satellite dish or other facility for the transmission or reception of audio or visual signals (except those located entirely inside a residence) shall be

screened from view from streets and adjacent Sites and shall first be approved by the Design Review Committee. With the approval of the Design Review Committee, a master antenna or cable television antenna may, but need not, be provided for use of all Owners or a group of Owners, and Declarant may grant easements for such purposes. No electronic or radio transmitters of any kind other than garage door openers or cellular or cordless telephones shall be operated in or on any structure or within any Site.

3.13 Restrictions on Signs and Advertising. No sign, poster, billboard, advertising device, or display of any kind shall be erected or maintained anywhere within the Community Area so as to be evident to public view, except signs as may be approved in writing by the Design Review Committee. A sign advertising a Site for sale or for lease may be placed on such Site; provided, however, that standards relating to dimensions, color, style, and location of such sign shall be determined from time to time by the Design Review Committee. The provisions of this Section shall not apply to Declarant or Principal Builder.

3.14 Restrictions on Mining or Drilling. No property within the Community Area shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth, except drilling, exploring for, or removing underground water by Declarant or any Person designated by Declarant.

3.15 Maintenance of Drainage. Each Owner shall be responsible for maintenance of the established drainage pattern on his Site. There shall be no interference with the established drainage pattern over any property within the Community Area, except as approved in writing by the Design Review Committee. Approval shall not be granted unless provision is made for adequate alternate drainage. The Owner of the Site for which the established drainage pattern is changed shall be solely liable for the impact of such changes on adjacent Sites, Master Association Properties or public property. The "established drainage pattern" shall mean the drainage pattern which exists at the time the approved grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Design Review Committee. The established drainage pattern may include the drainage pattern: (a) from Master Association Properties over any Site; (b) from any Site over the Master Association Properties; (c) from any property owned by the County or other Persons over any Site; (d) from any Site over property owned by the County or other Persons; or, (e) from any Site over another Site.

3.16 Compliance with Insurance Requirements. Except as may be approved in writing by the Board of Directors, nothing shall be done or kept on property within the Community Area which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Master Association.

3.17 Compliance with Laws. Nothing shall be done or kept on any property within the Community Area in violation of any law, ordinance, rule, or regulation of any governmental authority having jurisdiction.

3.18 Further Subdivision of Sites. The Owner of a Site shall not further subdivide that Site without the approval of the Design Review Committee.

3.19 Restrictions on Sewage Disposal Systems. No cesspool, septic tank, or other sewage disposal system shall be installed within the Community Area without the prior written consent of the Design Review Committee. Any sewage disposal system installed for property within the Community Area shall be subject to applicable laws, rules, and regulations of any governmental authority having jurisdiction.

3.20 Restrictions on Water Systems. No individual water supply system shall be installed or maintained for any property within the Community Area unless such system is approved in writing by the Design Review Committee and is designed, located, constructed, and equipped in accordance with the requirements, standards, and recommendations of any applicable water and sanitation district or other governmental authority having jurisdiction.

3.21 Restoration in the Event of Damage or Destruction. In the event of damage or destruction of any Improvement on any Site, the Owner thereof shall cause the damaged or destroyed Improvement to be restored or replaced in a timely manner to its original condition or such other condition as may be approved in writing by the Design Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be demolished and the Site to be suitably landscaped, subject to the approval of the Design Review Committee, so as to present a pleasing and attractive appearance. The obligations of an Owner under this Section 3.21 may be exercised by a Subassociation when authorized in a duly approved and recorded Supplemental Declaration.

3.22 Storage. No building materials shall be stored on any Site except temporarily during continuous construction of an Improvement.

3.23 Playground Equipment. No playground equipment including basketball backboards and poles, above six (6) feet in height, as measured from the rear ground level porch of any home built on any Site, shall be erected on any property within the Community Area without the prior written consent of the Design Review Committee. Any basketball backboards attached to a structure shall be painted the same color as the structure. Free-standing basketball backboards shall be made of standard manufacturers materials and colors. Temporary, portable basketball backboards and poles shall be stored out of view from adjacent properties and streets except when in use. All playground equipment shall be placed within the Building Envelope on a Site.

3.24 Vehicle Repairs. No maintenance (other than washing and polishing vehicles), servicing, repair, dismantling, or repainting of any type of vehicle, boat, trailer, machine, or device may be carried on, except within a completely enclosed structure which screens the sight and sound of the activity from the street and from other Sites.

3.25 Storage of Gasoline and Explosives, Etc. No Site shall be used for storage of explosives, gasoline, or other volatile and/or incendiary materials or devices. Gasoline or fuel for Owner's lawn mower, snowblower, and the like may be maintained on an incidental basis on the Site in an amount not to exceed five (5) gallons.

3.26 Trailers, Campers and Vehicles. No boat, camper (on or off supporting vehicles), trailer, tractor, truck (other than a 3/4 ton or smaller pick-up truck not used for commercial purposes), towed trailer unit, motorcycle, snowmobiles, disabled, junk, or abandoned vehicles, motor home, mobile home, camper, recreational vehicle, or any other vehicle, the primary purpose of which is recreational, sporting, or commercial use, shall be parked or stored in, on, or about any Site or street within the Community Area, except within the attached garage or unless such vehicles are concealed from view in a location which is first approved by the Design Review Committee. The Master Association shall have the right to enter Owner's Site to remove and store, at Owner's expense, vehicles in violation of this Section. Owner shall be entitled to thirty (30) days' written notice prior to such action by the Master Association. Parking of motor vehicles and the types of equipment listed above on public and private streets or driveways within the Community Area shall be prohibited, unless permitted by the Master Association pursuant to duly-adopted Rules and Regulations.

3.27 Fences Prohibited. Except for fences which may be installed by Declarant or by a Principal Builder with the approval of the Declarant, no fences shall be constructed along or adjacent to the boundary or lot line of any Site. Open style fences may be constructed within the Building Envelope only with the prior approval of the Design Review Committee unless in conformance with standard design specifications which may have been previously adopted by the Design Review Committee. If the Design Review Committee has not approved standard design specifications for fences, all fences shall first be approved by the Design Review Committee. No fences may be installed in any Common Area.

3.28 Air Conditioning and Heating Equipment. No heating, air conditioning, or refrigeration equipment shall be placed, allowed, or maintained anywhere other than on the ground and shall be screened from view in accordance with plans approved by the Design Review Committee; provided, however, that solar units meeting all governmental guidelines for residential uses may be located on the roof if such unit is constructed as an integral part of the roof, if specifically approved by the Design Review Committee.

3.29 Construction Activities. Normal construction activities carried out by a Declarant or a Principal Builder within the Community Area shall not be deemed a violation of any of the provisions of Article 3. All construction activities on a Site shall take place solely within the Building Envelope except for the minimal amount of work outside the Building Envelope as necessary to construct the driveway and to support construction within the Building Envelope. No construction activities may occur within any conservation easement on a Site, as shown on the plat which includes such Site.

3.30 Grading Within the Community Area. Grading Plans for any Site shall first be approved by the Design Review Committee. Grading shall be restricted to roads and common driveways constructed by Declarant or a Principal Builder, to Building Envelopes and the driveway on a Site providing access to a Site, and to a Disturbance Envelope (as defined below) approved by the Design Review Committee. All grading shall be designed to avoid the removal of trees, scrub-oak, rock outcroppings and other natural features to the maximum extent possible. All trees, scrub-oak, rock outcroppings and other natural features which are proposed for removal shall be specifically identified on drawings and photographs submitted to the Design Review Committee which must approve any such removal. No grading may occur within any conservation easement on a Site, as identified on the plat which includes such Site. Driveways on a Site shall be located in the portion of a Site which abuts the street which provides access to the Site. Construction activities outside the Building Envelope which are necessary for Construction of the driveway and of the Improvements in the Building Envelope shall be limited to the portion of the Site which abuts the street providing access to the Site and any Disturbance Envelope for such Site approved by the Design Review Committee. All driveways and roads within the Community Area shall be paved with asphalt or concrete. As used herein, the term "Disturbance Envelope" shall mean the area outside of the Building Envelope necessary for construction of the Improvements which is approved by the Design Review Committee.

3.31 Wildfire Avoidance Measures. All Owners shall regularly remove dead wood and other fuel materials from their Sites and the Master Association shall regularly remove dead wood and other fuel materials from Master Association Properties to minimize wildfire danger within the Community Area. If an Owner fails to remove such fuel materials from a Site within thirty (30) days after receipt of a written notice from the Master Association, the Master Association may enter the Site and remove such fuel materials, the cost of which shall be at the Owner's expense. The Master Association may adopt detailed requirements for wildfire mitigation measures to be implemented throughout the Community Area as rules and regulations which shall be enforced in accordance with the provisions of this Master Declaration. Such rules and regulations shall meet any applicable requirements of the County and the State of Colorado. In the event such rules and regulations conflict with any other provisions of this Master Declaration, such rules and regulations shall control.

3.32 Wildlife Protection. The Community Area includes significant wildlife habitat areas and wildlife movement corridors, as identified on the Plat. Such areas are important natural features of the Community Area. Maintenance of such areas is an important purpose of this Master Declaration. The Master Association is authorized to enforce all restrictions on the use of such areas set forth on a Plat and to adopt rules and regulations, including a system of fines, to preserve such areas and the wildlife which use such areas. Such rules and regulations may include, but shall not be limited to, restrictions, requirements and prohibitions on feeding wildlife, fencing, maintenance and enhancement of natural vegetation, utilization of wildlife-proof trash containers and enclosures, hunting and firearms restrictions and containment of pets. All such rules and regulations shall not be inconsistent with or contrary to the provisions of this Master Declaration. Any rules and regulations which adopt a system of fines shall include a procedure to require notice and provide an opportunity for an Owner to be heard prior to imposing a fine, as required by the Act. Such rules and regulations shall be enforceable in accordance with the provisions of this Master Declaration.

#### ARTICLE 4

##### ARCHITECTURAL APPROVAL

4.1 Approval of Improvements Required. The approval of the Design Review Committee shall be required for any Improvement to Property on any Site, except (a) for any Improvement to Property made by Declarant or by a homebuilder which is designated a "Principal Builder" by Declarant and who has received written approval for such Improvement from the Declarant, and (b) where prior approval of an Improvement to Property may be waived or certain Improvements to Property may be exempted in writing or under written guidelines or rules promulgated by the Design Review Committee. The Design Review Committee may delegate some or all of its authority under this Master Declaration to such subcommittee or subcommittees as the Design Review Committee may elect to establish from time to time or, with approval of the Boards of Directors of the Master Association and a Subassociation, to a Design Review Committee (or similar body) created pursuant to a Supplemental Declaration. Membership on any subcommittee may include Owners and non-Owners and need not include members of the Design Review Committee. Procedures governing the operations of such subcommittees shall be adopted by the Design Review Committee and any delegation of authority to a subcommittee may be revoked at any time by the Design Review Committee. Declarant shall ensure that improvements to Property constructed by a Principal Builder conform with the requirements of the Master Declaration.

4.2 Improvement to Property Defined. "Improvement to Property" requiring approval of the Design Review Committee shall mean and include, without limitation: (a)



the construction, installation, erection, or expansion of any building, structure, or other Improvement, including utility facilities and fences; (b) the demolition or destruction, by voluntary action, of any building, structure, or other Improvement; (c) the grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation of landscaping on a Site; (e) the access point and driveway location for any Site; (f) removal of trees, scrub-oak, rock outcroppings and other natural features from any Site; and (g) any change or alteration of any previously approved Improvement to Property, including any change of exterior appearance, color, or texture.

4.3 Membership of Committee. The Design Review Committee shall consist of three (3) members, all of whom shall be initially appointed by Declarant. Declarant shall have the continuing right to appoint and replace all three (3) members during the Appointment Period (as hereinafter defined). The Board of Directors of the Master Association shall have the right to appoint such members after the expiration of the Appointment Period. During the period of development of the Community Area while Declarant has rights to appoint members of the Design Review Committee, Declarant shall give the Master Association written notice of the appointment or removal of any member of the Design Review Committee. The "Appointment Period" shall mean the period of time commencing as of the date of Recordation of this Master Declaration and continuing until the earliest to occur of the following events: (a) when all Sites have been conveyed to Persons other than Declarant, a successor Declarant or a Principal Builder and certificates of occupancy have been issued for the residences constructed thereon; (b) ten (10) years after the date of this Master Declaration; or (c) when, in its discretion, Declarant voluntarily relinquishes such right. Members of the Design Review Committee may but shall not necessarily be Members of the Master Association. After expiration of the Appointment Period, members of the Design Review Committee to be appointed by the Master Association shall be appointed by the Board of Directors. Members of the Design Review Committee appointed by the Board of Directors may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board. After the expiration of the Appointment Period, the Master Association may at any time and from time to time change the authorized number of members of the Design Review Committee, but the number of members of the Design Review Committee shall not be less than three (3).

4.4 Address of Design Review Committee. The address of the Design Review Committee shall be at the principal office of the Master Association.

4.5 Submission of Plans. Prior to commencement of work to accomplish any proposed Improvement to Property, the Person proposing to make such Improvement to Property ("Applicant") shall submit to the Design Review Committee at its offices such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans,

specifications, photographs of natural features and vegetation proposed for removal or disturbance, and samples of materials and colors as the Design Review Committee shall reasonably request showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property. The Design Review Committee may require submission of additional plans, specifications, or other information prior to approving or disapproving the proposed Improvement to Property. Until receipt by the Design Review Committee of all required materials in connection with the proposed Improvement to Property, the Design Review Committee may postpone review of any materials submitted for approval.

4.6 Criteria for Approval. The Design Review Committee shall approve any proposed Improvement to Property only if it deems in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Community Area as a whole; that the appearance, exterior design, materials and colors of the proposed Improvement to Property will be in harmony with the surrounding areas of the Community Area; that the Improvement to Property will not detract from the beauty, wholesomeness, and attractiveness of the Community Area or the enjoyment thereof by Owners; that the proposed changes in topography, if any, properly relate to adjacent Sites and the Community Area as a whole; that no significant oakbrush, conifers, other vegetation or natural features will be disturbed, damaged or destroyed unnecessarily; that the Improvement to Property will not adversely affect any wildlife corridors; that the Improvement to Property is located in such a manner as to minimize damage from wildfire; that the proposed Improvement to Property complies with all applicable public and private development restrictions, including all development restrictions set forth on a plat or other development approval by the County, and that the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Master Association. The Design Review Committee may describe a disturbance envelope on a Site within which all construction and other disturbance of natural conditions shall occur and may condition its approval of any proposed Improvement to Property upon the making of such changes therein or satisfaction of such conditions as the Design Review Committee may deem appropriate.

4.7 Design Standards. The Design Review Committee may issue standards or rules ("Design Standards") relating to approval criteria, recommended materials and designs, submittal and approval procedures, materials to be submitted, fees, and additional factors which will be taken into consideration in connection with the approval of any proposed Improvement to Property. The Design Standards may specify circumstances under which the strict application of limitations or restrictions under this Master Declaration will be waived or deemed waived in whole or in part because strict application of such limitations or restrictions would be unreasonable or unduly harsh under the circumstances. The Design Standards may waive the requirement for approval of certain Improvements to Property or exempt certain Improvements to Property from the requirement for approval,

if such approval is not reasonably required to carry out the purposes of this Master Declaration.

4.8 Design Review Fee. The Design Review Committee may, in the Design Standards, provide for the payment of a fee to accompany each request for approval of any proposed Improvement to Property. The Design Review Committee may provide that the amount of such fee shall be uniform for similar types of any proposed Improvement to Property or that the fee shall be determined in any other reasonable manner, such as based upon the estimated cost of the proposed Improvement to Property. Such fee may not exceed the amount set forth in the Design Standards, as amended from time to time.

4.9 Decision of Committee. Any decision of the Design Review Committee shall be made within the time period specified in the Design Standards, but in no event later than forty-five (45) days after receipt by the Design Review Committee of all materials required by the Design Review Committee, unless such time period is extended by mutual agreement. The decision shall be in writing. The decision of the Design Review Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Design Review Committee.

4.10 Failure of Committee to Act on Plans. Any request for approval of a proposed Improvement to Property shall be deemed approved, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within forty-five (45) days after the date of receipt by the Design Review Committee of all required materials.

4.11 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement to Property, any materials submitted to the Design Review Committee in connection with the proposed Improvement to Property, and any conditions imposed by the Design Review Committee. Failure to complete the proposed Improvement to Property within twelve (12) months after the date of approval or such other period as specified in writing by the Design Review Committee, or to complete the Improvement to Property in accordance with the description and materials furnished to, and the conditions imposed by, the Design Review Committee, shall constitute noncompliance with the requirements for approval of the Improvement to Property.

4.12 Notice of Completion. Upon completion of the Improvement to Property, the Applicant may give written Notice of Completion to the Design Review Committee. Until the date of receipt of such Notice of Completion, the Design Review Committee shall not be deemed to have notice of completion of such Improvement to Property.

4.13 Inspection of Work. The Design Review Committee or its duly authorized representative shall have the right to inspect any Improvement to Property prior to or after completion, provided that the right of inspection shall terminate thirty (30) days after the Design Review Committee shall have received a Notice of Completion from Applicant.

4.14 Notice of Noncompliance. If, as a result of inspections or otherwise, the Design Review Committee finds that any Improvement to Property has been done without obtaining the approval of the Design Review Committee or was not done in complete conformity with the description and materials furnished to, and any conditions imposed by, the Design Review Committee or was not completed within twelve (12) months after the date of approval by the Design Review Committee or such shorter period as specified in writing by the Design Review Committee, the Design Review Committee shall notify the Applicant in writing of the noncompliance, which notice shall be given, in any event, within thirty (30) days after the Design Review Committee receives a Notice of Completion from the Applicant. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

4.15 Failure of Committee to Act After Completion. Failure of the Design Review Committee to inspect the work shall not relieve the Applicant from its obligations to comply with this Master Declaration or all conditions of approval or prevent the Design Review Committee from pursuing all remedies available to it in the event of any noncompliance.

4.16 Correction of Noncompliance. If the Design Review Committee determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of receipt by the Applicant of notice of noncompliance from the Design Review Committee. If the Applicant does not comply with the Committee ruling within such period, the Committee may, at its option, record a Notice of Noncompliance against the real property on which the noncompliance exists, may enter upon such property and remove the noncomplying Improvement to Property, or may otherwise remedy the noncompliance, and the Applicant shall reimburse the Master Association, upon demand, for all expenses, including attorneys fees, incurred therewith. If such expenses are not promptly repaid by the Applicant or Owner to the Master Association, the Board may levy a Reimbursement Assessment against the Owner of the Site for such costs and expenses. The right of the Master Association to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Master Association may have at law, in equity, or under this Master Declaration. The Applicant and Owner of the Site shall have no claim for damages or otherwise on account of the entry upon the property and removal of the noncomplying Improvement to Property.

4.17 No Implied Waiver or Estoppel. No action or failure to act by the Design Review Committee shall constitute a waiver or estoppel with respect to future action by the

Design Review Committee with respect to any Improvement to Property. Specifically, the approval of the Design Review Committee of any Improvement to Property shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement to Property.

4.18 Committee Power to Grant Variances. The Design Review Committee may authorize variances from compliance with any of the provisions of this Master Declaration, including restrictions upon height, size, floor area, or placement of structures or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Design Review Committee. If any such variance is granted, no violation of the provisions of this Master Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Master Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned, including, but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental authority having jurisdiction.

4.19 Meetings of Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Design Review Committee, except the granting of approval to any Improvement to Property and granting of variances. The action of such Committee Representative within the authority of such Committee Representative or the written consent or the vote of a majority of the members of the Design Review Committee shall constitute action of the Design Review Committee.

4.20 Records of Actions. The Design Review Committee shall keep a permanent record of all final actions taken by the Committee.

4.21 Estoppel Certificates. The Board of Directors shall, upon the reasonable request of any interested Person and after confirming any necessary facts with the Design Review Committee, furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any Person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

4.22 Nonliability for Committee Action. There shall be no liability imposed on the Design Review Committee, any member of the Design Review Committee or any subcommittee appointed by the Design Review Committee, any Committee or subcommittee Representative, the Master Association, any member of the Board of Directors, any Principal Builder or Declarant (or their respective owners, officers, directors, managers and employees) for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Design Review Committee unless due to the willful misconduct of the party to be held liable. In reviewing any matter, the Design Review Committee shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations. Members of the Design Review Committee shall be indemnified by the Master Association to the same extent as the Board of Directors of the Master Association, as set forth in the Articles of Incorporation or By-Laws of the Master Association.

4.23 Construction Period Exception. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Design Review Committee shall temporarily suspend the provisions contained in this Master Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction, provided that, during the course of any such construction, nothing is done which will result in a violation of any of the provisions of this Master Declaration upon completion of construction and nothing is done which will constitute a nuisance or unreasonable interference with the use and enjoyment of other property.

## ARTICLE 5

### MASTER ASSOCIATION PROPERTIES

5.1 Member's Rights of Use and Enjoyment Generally. Unless otherwise provided in this Master Declaration, all Members may use and are hereby granted an easement of enjoyment in the Master Association Properties. Such easement and right of use and enjoyment shall be appurtenant to the Sites. Master Association Properties are dedicated for use by all Members, their family members, guests and lessees, and not for use by the public.

5.2 Right of Master Association to Regulate Use. The Master Association, acting through the Board, shall have the power to regulate use of Master Association Properties by Members and the public to further enhance the overall rights of use and enjoyment of all Members.

5.3 No Partition of Master Association Properties. No Owner shall have the right to partition or seek partition of the Master Association Properties or any part thereof.

5.4 Liability of Owners for Damage by Member. Each Member shall be liable to the Master Association for any damage to Master Association Properties or for any expense or liability incurred by the Master Association, to the extent not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such Member or any Person using the Master Association Properties through such Member and for any violation by such Member or any such Person of this Master Declaration or any Rule and Regulation adopted by the Master Association. The Master Association shall have the power, as elsewhere provided in this Master Declaration, to levy and collect a Reimbursement Assessment against a Member, to cover the costs and expenses incurred by the Master Association on account of any such damage or any such violation of this Master Declaration or of such Rules and Regulations or for any increase in insurance premiums directly attributable to any such damage or any such violation.

5.5 Master Association Duties if Damage, Destruction or Required Improvements. In the event of damage to Master Association Properties by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction, or replacement of any Master Association Properties, the Master Association shall have the duty to repair, reconstruct, or replace the same. Any insurance proceeds payable by reason of damage or destruction of Master Association Properties by fire or other casualty shall be paid to the Master Association and shall be used, to the extent necessary, to pay the costs of repair, reconstruction, or replacement. If funds from insurance proceeds or from reserves for replacement are insufficient to pay all costs of repair, reconstruction, or replacement of Improvements damaged or destroyed, or if the Master Association is required to make repairs, replacements, or Improvements by governmental authorities, the Master Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement, or improvement, levy a Special Assessment in accordance with Section 9.09, or if a Member or group of Members is liable for such damage, levy a Reimbursement Assessment against the Member or group of Members responsible therefor, to provide the additional funds necessary. Repair, reconstruction, or replacement of Master Association Properties shall be done under such contracting and bidding procedures as the Master Association shall determine are appropriate. If insurance proceeds available to the Master Association on account of damage or destruction exceed the cost of repair, reconstruction, and replacement, the Master Association may use the same for future maintenance, repair, Improvement, and operation of other Master Association Properties.

5.6 Master Association Powers in the Event of Condemnation. If any Master Association Properties or interests therein are taken under exercise of the power of eminent domain or by private purchase in lieu thereof, the award in condemnation or the

price payable shall be paid to the Master Association, except to the extent payable to any other Person with an interest in such property, including any Mortgagee of such property. The Master Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners or other Persons therein. Any award or funds received by the Master Association shall be held by the Master Association in the Maintenance Fund as determined by the Board, as a reserve for future maintenance, repair, reconstruction, or replacement of Master Association Properties or may be used for Improvements or additions to or operation of Master Association Properties. No Owner shall be entitled to participate as a party or otherwise in any condemnation proceedings.

5.7 Title to Master Association Properties on Dissolution of Master Association.

In the event of dissolution of the Master Association, the Master Association Properties shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasi-governmental agencies or organizations or to a nonprofit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owner's for similar purposes for which the particular Master Association Property was held by the Master Association. To the extent the foregoing is not possible, the Master Association Properties shall be sold or disposed of and the proceeds from the sale or disposition shall be allocated equally to the Sites and distributed to Members.

5.8 Easement for Encroachment and Maintenance of Master Association Properties. There is hereby created a blanket easement across all Sites for the benefit of the Master Association for the purpose of entering upon the portion of any Site not within an enclosed structure to maintain, repair, replace or remove any Master Association Properties, including fences installed by Declarant or a Principal Builder upon or adjacent to any landscaped tracts along public roadways which shall be maintained by the Master Association. In the event any fence or other Master Association Properties encroach upon any Site, a valid easement is hereby created and does exist for the encroachment and for the maintenance, repair, replacement or removal of such encroachment as long as it exists. Such encroachments or easements shall not be considered or determined to be encumbrances on any Site for the purposes of marketability of title.

5.9 Easements Deemed Created. All conveyances of Sites or Master Association Properties hereafter made, whether by Declarant, a Principal Builder or otherwise, shall be construed to grant and reserve the easements and rights contained in this Master Declaration, even though no specific reference to such easements or to this Master Declaration appears in the instrument for such conveyance.

5.10 Recreational Facilities. The Declarant may, but shall not be required, to construct community recreational facilities comprised of an outdoor swimming pool and community building on a portion of the Common Area and owned and maintained by the



Master Association for the benefit of all Members of the Master Association. The Master Association shall accept such conveyance if such facilities are constructed by Declarant. The Board of the Master Association may allow the use of such facilities by persons other than Members of the Master Association upon payment of fees determined by the Board in its sole discretion.

5.11 Maintenance of Wildlife Corridors. Certain portions of the Community Area constitute corridors for mule deer, elk and other wildlife which utilize such areas for feeding, resting and movement throughout the area. The Master Association shall maintain such portions of the Common Area in a manner that is compatible with and supportive of such wildlife uses and unimpeded movement of wildlife through such areas. No improvements, other than utilities and soft-surface pedestrian trails located so as to minimize interference with wildlife movement and browsing, may be installed in such wildlife corridors. The Master Association shall have the right to capture and detain any pets found disturbing wildlife within the Community Area and to release such pets to their Owners only upon such conditions as the Master Association deems necessary to protect wildlife from such pets. The Master Association may impose fines on Owners who allow their pets to roam through the Community Area or which chase or otherwise harass wildlife. The Master Association also may request a court order requiring the Owners of such pets to restrain, remove from the Community Area or destroy any pets found roaming through the Community Area or chasing or otherwise harassing wildlife.

#### ARTICLE 6

##### DECLARANT'S RIGHTS AND RESERVATIONS

6.1 Period of Declarant's Rights and Reservations. Declarant shall have, retain, and reserve certain rights as hereinafter set forth with respect to the Sites, which rights include "development rights" and "special declarant rights" under the Act which may be exercised by Declarant with respect to all parts of the Community Area, the Master Association and the Master Association Properties from the date hereof, until (a) the time that the last Site within the Community Area has been sold and conveyed by Declarant to persons other than Declarant, a successor Declarant or a Principal Builder and a certificate of occupancy has been issued for the residence constructed thereon; or (b) the date which is ten (10) years from the execution hereof, whichever event occurs first. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of property by Declarant to the Master Association whether or not specifically stated therein and in each deed or other instrument by which any property within the Community Area is conveyed by Declarant. The rights, reservations, and easements hereinafter set forth may be exercised by Declarant with respect to all parts of the Community Area and shall be prior and superior to any other provisions of this Master

Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment of this Master Declaration. Declarant's consent to any one such amendment shall not be construed as consent to any other subsequent amendment. Declarant may assign and convey any of the rights, reservations and easements hereinafter set forth to a successor Declarant or a Principal Builder.

6.2 Right to Construct Additional Improvements on Master Association Properties. Declarant shall have and hereby reserves the right, but shall not be obligated to, convey Master Association Properties to the Master Association, construct additional Improvements on Master Association Properties at any time and from time to time in accordance with this Master Declaration for the improvement and enhancement thereof and for the benefit of the Master Association and Owners. Declarant shall convey or transfer Master Association Properties to the Master Association and Declarant shall convey or transfer to the Master Association the Improvements described in the preceding sentence if Declarant has elected to construct such Improvements or if Declarant is obligated by the County to convey any Common Area or Improvements to the Master Association and the Master Association shall be obligated to accept title to, care for, and maintain the same as Master Association Properties as elsewhere provided in this Master Declaration.

6.3 Declarant's and Principal Builders' Rights to Use Master Association Properties in Promotion and Marketing of Community Area. Declarant shall have and hereby reserves the right to reasonable use of the Master Association Properties and Sites owned by Declarant or a Principal Builder and of services offered by the Master Association in connection with the promotion and marketing of the Community Area. Without limiting the generality of the foregoing, Declarant and, with Declarant's written consent, a Principal Builder, may erect and maintain on any part of the Master Association Properties and Sites owned by Declarant or a Principal Builder such signs, temporary buildings, and other structures as Declarant or such Principal Builder may reasonably deem necessary or proper in connection with the promotion, development, and marketing of real property within the Community Area; may use vehicles and equipment on Master Association Properties and Sites owned by Declarant or a Principal Builder for promotional purposes; may permit prospective purchasers of property within the boundaries of the Community Area who are not Owners or Members of the Master Association to use Master Association Properties at reasonable times and in reasonable numbers; and may refer to the Master Association Properties and to the Master Association and services offered by the Master Association in connection with the development, promotion, and marketing of property within the boundaries of the Community Area.

6.4 Right to Complete Development of Community Area. Declarant reserves the right to develop up to three hundred (350) Sites within the Community Area. No provision of this Master Declaration shall be construed to prevent or limit the rights of Declarant or

a Principal Builder to complete development of property within the boundaries of the Community Area or elect not to complete development of any part of the Community Area; to construct or alter Improvements on any property owned by Declarant or a Principal Builder within the Community Area provided that all such construction is approved by Declarant and conforms to the requirements of this Master Declaration; to maintain model homes, offices for construction, Principal Builder and Declarant offices, sales purposes, or similar facilities on any property owned by Declarant, a Principal Builder, persons affiliated with Declarant or Principal Builder, or owned by the Master Association within the Community Area; or to post signs or do any other act or thing incidental to development, construction office, promotion, marketing, or sales of property within the boundaries of the Community Area. Nothing contained in this Master Declaration shall limit the right of Declarant or a Principal Builder or require Declarant or a Principal Builder to obtain approvals from the Master Association, the Design Review Committee or any other Owners: (a) to excavate, cut, fill, or grade any property owned by Declarant or a Principal Builder within designated locations for roads and common driveways and within disturbance envelopes approved by Declarant or to construct, alter, demolish, or replace any Improvements on any property owned by Declarant or a Principal Builder; (b) to use any structure on any property owned by Declarant or a Principal Builder as a construction office, model home, Principal Builder office, Declarant office, or real estate sales office in connection with the sale of any property within the boundaries of the Community Area; (c) to store construction materials, supplies, equipment, tools, waste or other items on property within the Community Area that is owned by Declarant or a Principal Builder; or (d) to require Declarant or a Principal Builder to seek or obtain the approval of the Design Review Committee or of the Master Association for any such activity or Improvement to Property on any property owned by Declarant or a Principal Builder. Nothing in this Master Declaration shall limit or impair the rights reserved by Declarant or granted to Principal Builders as elsewhere provided in this Master Declaration.

6.5 Declarant's Approval of Conveyances or Changes in Use of Master Association Properties. Until Declarant has lost the right to appoint the members of the Design Review Committee, the Master Association shall not, without first obtaining the prior written consent of Declarant, which consent shall not be unreasonably withheld, convey, change, or alter the use of Master Association Properties, Mortgage the Master Association Properties, or use Master Association Properties other than solely for the benefit of Members or as specifically allowed hereunder.

6.6 Declarant's Rights to Grant and Create Easements. Declarant shall have and hereby reserves the right to grant or create temporary or permanent easements for access, utilities, drainage, water, and other purposes incident to development and sale of the Community Area located in, on, under, over, and across (a) Sites owned by Declarant, and (b) Master Association Properties.

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6.7 Declarant's Rights to Convey Property to Master Association. Declarant shall have and hereby reserves the right, but shall not be obligated to, convey real property and Improvements thereon to the Master Association at any time and from time to time in accordance with this Master Declaration. Any property conveyed to the Master Association by the Declarant shall not be subject to any encumbrances requiring the payment of money (other than liens for taxes not yet due and payable).

6.8 Declarant's Right to Annex Additional Property to Community Area. Declarant and Principal Builders shall have and Declarant hereby reserves the right to, but shall not be obligated to, develop the Property in stages and, as part of such staged development, to annex part or all of the property, including the property described on Exhibit B, to the Community Area in phases as may be determined by Declarant or a Principal Builder, at any time within ten (10) years after the date this Master Declaration is recorded, so long as Declarant or a Principal Builder owns any part of the Community Area. Such annexation shall be accomplished in accordance with a general development plan to be accomplished by Declarant and/or any Principal Builder or successor Declarant, which plan is filed with the U.S. Department of Housing and Urban Development ("HUD") or the Veterans Administration ("VA"), or their successor, prior to any such annexation, if Declarant and/or a Principal Builder or Successor Declarant obtains approval of the project or a portion thereof from HUD or the VA. If HUD or VA approval of the project is obtained, any annexation of land which is done by a Notice of Annexation (as hereinafter provided) will be approved by either HUD or VA. Homes built on Sites in any property annexed to the Community Area shall be substantially the same style, quality, size and cost as homes previously constructed in the Community Area or such other style, quality, size and cost as may be approved by Declarant. Any property added to the Community Area which is not described in either Exhibit A or B may not exceed ten percent (10%) of the total area of the property described in Exhibits A and B.

Property shall be annexed to the Community Area by Declarant and a Principal Builder (if a Principal Builder is the Owner of the Property to be annexed) executing and recording: (a) a Notice of Annexation; or (b) a deed conveying a Site to an Owner other than Declarant or a Principal Builder or a deed conveying Common Area to the Master Association. Such Notice or deed shall describe the real property to be annexed and shall refer to this Master Declaration, including the date and reception number for the Recordation of this Master Declaration. In the event Declarant or a Principal Builder exercises this right, any such property annexed to the Community Area shall be subject to the terms and conditions of this Master Declaration. No approval of any other Owner or Mortgagees, other than the Owner of the property to be annexed, shall be required. Declarant and Principal Builder may record a Supplemental Declaration as provided in Article 12 below in connection with the annexation of property to this Master Declaration, which right is a Special Declarant Right hereunder.

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Notwithstanding the foregoing provisions of this Section 6.8, individual lots in Castle Pines North Filing No. 13-A and Castle Pines North Filing No. 19 shall be annexed to the Community Area prior to the issuance of Certificates of Occupancy for any residences constructed thereon, either through recordation of a Notice of Annexation which includes such lot or lots or a deed, which conforms with the provisions of the preceding paragraph.

6.9 Successor Declarant. Declarant may designate as a Successor Declarant any person which acquires all of the Declarant's then remaining interest in the Community Area by an instrument which may be recorded. Upon execution and delivery of such instrument by Declarant, the person designated as Successor Declarant therein shall accede to all of the rights and obligations of Declarant under this Master Declaration and all references to Declarant contained herein shall be deemed to refer to such Successor Declarant.

6.10 Castle Pines North Master Declaration and Master Association. The Property may be made subject to the terms and provisions of the Master Declaration of Covenants, Conditions, Restrictions and Easements for Castle Pines North recorded at Book 544, Page 588, in the records of the Clerk and Recorder of the County of Douglas, State of Colorado (the "Castle Pines North Declaration") upon the approval of the Declarant and the Board of the Master Association. Powers of the Master Association may be delegated, in whole or in part, to the Castle Pines North Association, Inc., a Colorado non-profit corporation, in accordance with the provisions of Section 38-33.3-220 of the Act and with the consent of the Declarant and the Board of the Master Association.

## ARTICLE 7

### MASTER ASSOCIATION OPERATION

7.1 Master Association. The Master Association has been or will be formed as a Colorado corporation under the Colorado Nonprofit Corporation Act. The Master Association has been or shall be organized prior to the date the first Site located in the Community Area is conveyed to a Purchaser, as that term is defined in the Act. The Master Association shall have the duties, powers, and rights set forth in this Master Declaration, the Act, and in its Articles of Incorporation and By-Laws. As more specifically set forth hereinafter, the Master Association shall have a Board of Directors to manage its affairs. Except as may be provided herein, the Articles of Incorporation or the By-Laws, the Board of Directors shall be elected by Owners acting in their capacity as Members of the Master Association.

7.2 Master Association Board of Directors. The affairs of the Master Association shall be managed by a Board of Directors. The number, term, and qualifications of the

Board of Directors shall be fixed in the Articles of Incorporation and By-Laws. The Board of Directors may, by resolution, delegate portions of its authority to officers of the Master Association, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the Master Association. Action by or on behalf of the Master Association may be taken by the Board of Directors or any duly authorized executive committee, officer, agent, or employee without a vote of Members, except as otherwise specifically provided in this Master Declaration.

7.3 Membership in Master Association. Each Owner of a Site within the Community Area shall be a Member of the Master Association. There shall be one Membership in the Master Association for each Site within the Community Area. The Person or Persons who constitute the Owner of a Site shall automatically be the holder of the Membership appurtenant to that Site, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Site. Declarant shall hold a Membership in the Master Association for each Site owned by Declarant. Membership in the Master Association shall not be assignable separate and apart from fee simple title to a Site except that an Owner may assign some or all of his rights as an Owner and as a Member of the Master Association to a tenant or Mortgagee and may arrange for a tenant to perform some or all of such Owner's obligations as provided in this Master Declaration, but no Owner shall be permitted to relieve himself of the responsibility for fulfillment of the obligations of an Owner under this Master Declaration.

7.4 Voting Rights of Members. There shall be one class of Members, comprised of all of the Owners. Except as specifically provided otherwise in this Master Declaration, the Articles or the By-Laws, all matters voted on by the Members shall be voted on by the Members. Each Member, including Declarant, shall have the right to cast one vote for each Site owned by such Member. The By-Laws shall provide for the manner, time, place, conduct, and voting procedures for Member meetings.

7.5 Appointment and Election of Directors. From the date of formation of the Master Association until the termination of Declarant's control as provided below, Declarant shall have the right to appoint and remove all members of the Board of Directors and all officers of the Master Association. The period of Declarant's control of the Master Association shall terminate upon the first to occur of sixty (60) days after conveyance of seventy-five percent (75%) of the Sites to Owners other than a successor Declarant, two (2) years after the last conveyance of a Site by a Declarant in the ordinary course of business, or two (2) years after any right to add new Sites was last exercised. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the period of Declarant's control, but, in that event, Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Master Association or Board of Directors, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

Not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Sites to Owners other than a successor Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors will be elected by Owners other than a Declarant. Not later than sixty (60) days after the conveyance of fifty percent (50%) of the Sites to Owners other than a successor Declarant, not less than 33-1/3% of the members of the Board of Directors will be elected by Owners other than a Declarant. Not later than the termination of the period of Declarant's control as provided above, the Owners (including Declarant if the Declarant is still an Owner) shall elect the Board of Directors of at least three (3) members, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant, and the Board of Directors shall elect the officers, with such Board members and officers to take office upon termination of the period of Declarant's control. Members of the Board of Directors and officers elected by the Declarant need not be Owners or employees of Declarant.

7.6 Directors and Officers Appointed by the Declarant. Notwithstanding anything contained herein to the contrary, the Declarant shall have the right to appoint all of the Directors and officers of the Master Association during the period of Declarant's control. All Directors and officers appointed by the Declarant shall serve at the pleasure of the Declarant, and the Declarant shall have the absolute right, at any time, and in its sole discretion, to remove any Director or officer appointed by it, and to replace such Director or officer with another person to serve on the Board or as an officer. Replacement of any Director or officer appointed by the Declarant shall be made by written instrument delivered to any officer or any other Director, which instrument shall specify the name of the person designated as successor Director or officer. The removal of any Director or officer and the designation of his successor by the Declarant shall become effective immediately upon delivery of such written instrument by the Declarant.

## ARTICLE 8

### DUTIES AND POWERS OF MASTER ASSOCIATION

8.1 General Duties and Powers of Master Association. The Master Association has been formed to further the common interests of the Members. The Master Association, acting through the Board or Persons to whom the Board has delegated such powers, shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve, and enhance the common interests of the Members, to maintain, improve, and enhance Master Association Properties, including the recreational facilities and wildlife areas described in Sections 5.10 and 5.11 above, and to improve and enhance the attractiveness, aesthetics, and desirability of the Community Area. The

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Master Association shall maintain all Common Areas and all portions of the Community Area required to be maintained by the Master Association under any plat, site plan or other development approval granted by County government officials, including, but not limited to, perimeter fencing, landscaping areas along roadways, entry facilities, guardhouses, landscaping on easements and private roads and common drives identified as tracts on the Plat for the Community Area. Road and common drive maintenance shall include regular snow removal, debris clearance and asphalt repair and replacement as needed.

8.2 Duty to Accept Property and Facilities Transferred by Declarant. The Master Association shall accept title to any property, including any Improvements thereon and personal property transferred to the Master Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all Administrative Functions associated therewith. Property interests transferred to the Master Association by Declarant may include fee simple title, easements, leasehold interests, and licenses to use. Any real property or interest in real property transferred to the Master Association by Declarant shall be within the boundaries of the Community Area. Any property or interest in property transferred to the Master Association by Declarant shall be subject to the terms of this Master Declaration, and easements, covenants, conditions, restrictions, and equitable servitudes or other encumbrances, except mortgages and liens (other than liens for taxes not yet due and payable) requiring the payment of money. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Master Association by Declarant shall impose upon the Master Association any obligation to make monetary payments to Declarant or any affiliate of Declarant, including, but not limited to, any purchase price, rent, charge, or fee.

8.3 Power to Manage and Care for Master Association Properties. The Master Association shall have the power to manage, operate, care for, maintain, and repair all Master Association Properties and to keep the same in an attractive and desirable condition for the use and enjoyment of the Members.

8.4 Power to Pay Taxes. The Master Association shall have the power to pay all taxes and assessments levied upon the Master Association Properties and all taxes and assessments payable by the Master Association. The Master Association shall have the right to contest any such taxes or assessments provided that the Master Association shall contest the same by appropriate legal proceedings.

8.5 Duty to Maintain Casualty Insurance. The Master Association shall obtain and keep in full force and effect, property insurance on all insurable Improvements and personal property owned by the Master Association or that may be owned by the Master Association in the future, for broad form covered causes of loss, including, casualty, fire, and extended coverage insurance with respect to all insurable Improvements and personal property owned by the Master Association including, if available at reasonable cost,



coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Such insurance shall, to the extent reasonably obtainable, be for the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavation, foundations and other items normally excluded from property policies. If any part of the Community Area is located in a special flood hazard area, the Master Association shall carry a master policy of flood insurance on the Common Area.

8.6 Duty to Maintain Liability Insurance. The Master Association shall obtain and keep in full force and effect general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Master Association Properties and covering public liability for bodily injury and property damage and, if the Master Association owns or operates motor vehicles, public liability for bodily injury and property damage arising as a result of the ownership and operation of motor vehicles. Such liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable: (a) have limits of not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) per occurrence; (b) insure the Board, the Master Association, the Design Review Committee, the Manager, the Declarant, all Principal Builders and their respective employees, agents, owners, officers, directors and all Persons acting as agents; (c) include the Declarant as an additional insured in such Declarant's capacity as a Member or Board member; (d) include the Members as an additional insured, but only for claims and liabilities arising in connection with the ownership, existence, use or management of Master Association Properties; and (e) cover claims of one or more insured parties against other insured properties.

8.7 General Provisions Respecting Insurance. Insurance obtained by the Master Association may contain such deductible provisions as the Board of Directors may determine. If any insurance described above is obtained and thereafter is not reasonably available, or if any policy of such insurance is cancelled or renewed without a replacement policy therefor having been obtained for it, the Master Association shall promptly cause notice of that fact to be delivered to all Members. The Master Association may carry any other type of insurance it considers appropriate in amounts it deems appropriate, to insure the interests of the Master Association. Insurance policies carried pursuant to Sections 8.5 and 8.6 shall provide that: (a) each Member is an insured Person under the policy with respect to liability arising out of such Member's interest in the Master Association Properties or membership in the Master Association; (b) the insurer shall waive its right of subrogation under the policy against any Member or such Member's household; (c) no act or omission by any Member, unless acting within the scope of such Member's authority on behalf of the Master Association, will void the policy or be a condition to recovery under the policy; (d) if at the time of a loss under the policy, there is other insurance in the name of a Member covering the same risk covered by the policy, the Master Association's policy

shall be the primary insurance; and (e) shall meet all applicable requirements of the Act, FNMA and other governmental and quasi-governmental entities to the extent applicable to the Community Area.

The Master Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Master Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration for all deductibles paid by the Master Association. At Declarant's request, insurance obtained by the Master Association shall, to the extent reasonably possible and provided Declarant reimburses the Master Association for any additional premium payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant. Insurance policies and insurance coverage may be reviewed annually by the Board of Directors to ascertain whether coverage under the policies is sufficient in light of the current values of the Master Association Properties and in light of the possible or potential liabilities of the Master Association. The aforementioned insurance may be provided under blanket policies covering the Master Association Properties. In no event shall insurance coverage obtained or maintained by the Master Association be bought into contribution with insurance purchased by Owners, occupants or their Mortgagees.

8.8 Fidelity Bonds. The Master Association shall obtain and keep in force a fidelity bond or bonds for any Person handling funds of the Master Association. Each such bond shall name the Master Association as obligee and shall be in such amount as the Board of Directors determines. The Board of Directors may request any Person employed as an independent contractor by the Master Association for the purpose of managing the Master Association Properties to obtain and maintain fidelity insurance in an amount determined by the Board.

8.9 Other Insurance and Bonds. The Master Association shall obtain such other insurance as may be required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Master Association shall deem necessary or desirable.

8.10 Duty to Prepare Budgets. The Master Association shall prepare Budgets for the Master Association as elsewhere provided in this Master Declaration.

8.11 Power to Levy and Collect Assessments. The Master Association may levy and collect Assessments as elsewhere provided in this Master Declaration.

8.12 Duty to Keep Master Association Records. The Master Association shall keep financial records sufficiently detailed to provide a statement setting forth the amount

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of any unpaid Assessments currently levied against an Owner. Such records shall be made reasonably available for examination by any Member and such Member's authorized agents.

8.13 Duties With Respect to Design Review Committee Approvals. The Master Association shall perform functions to assist the Design Review Committee as elsewhere provided in this Master Declaration.

8.14 Power to Acquire Property and Construct Improvements. The Master Association may acquire property or interests in property for the common benefit of Owners including Improvements and personal property. The Master Association may construct Improvements on property and may demolish existing Improvements.

8.15 Power to Adopt Rules and Regulations. The Master Association may adopt, amend, repeal, and enforce Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Master Declaration, the operation of the Master Association, the use and enjoyment of Master Association Properties, and the use of any other property within the Community Area, including Sites. Any such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Notice of the adoption, amendment, or repeal of any Rule or Regulation shall be given in writing to each Member at the address for notices to Members as elsewhere provided in this Master Declaration or the By-Laws, and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the reasonable expense of copying the same. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Master Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Master Declaration, the provisions of this Master Declaration shall prevail.

8.16 Power to Enforce Master Declaration and Rules and Regulations. The Master Association shall have the power to enforce the provisions of this Master Declaration and the Rules and Regulations and shall take such action as the Board deems necessary or desirable to cause such compliance by each member and each Person claiming by, through, or under such Member ("Related User"). Without limiting the generality of the foregoing, the Master Association shall have the power to enforce the provisions of this Master Declaration and the Rules and Regulations by any one or more of the following means: (a) by entry upon any property within the Community Area, without liability to the Owner thereof or the Master Association, for the purpose of enforcement or causing compliance with this Master Declaration or the Rules and Regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Master Declaration or the Rules and

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Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Master Declaration or the Rules and Regulations; (d) by suspension of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of such Member of this Master Declaration or the Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (e) by levying and collecting a Reimbursement Assessment against any Member for breach of this Master Declaration or the Rules and Regulations by such Member or Related User of such Member; and (f) uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Master Association, from any Member or Related User for breach of this Master Declaration or the Rules and Regulations by such Member or Related User of such Member. Any Rules and Regulations which adopt a system of fines shall include a procedure to require notice and provide an opportunity for an Owner to be heard prior to imposing a fine, as required by the Act.

8.17 Power to Grant Easements. The Master Association shall have the power to grant access, utility, drainage, water facility and other such easements in, on, over or under Master Association Properties.

8.18 Power to Convey and Dedicate Property to Government Agencies. The Master Association, with the approval of Members representing at least eighty percent (80%) of the voting power of the Master Association (exclusive of the voting power of the Declarant), shall have the power to grant, convey, dedicate, or transfer any Master Association Properties or facilities to any public, governmental or quasi-governmental agency or authority for such purposes and subject to such terms and conditions as the Master Association shall deem appropriate.

8.19 Power to Borrow Money and Mortgage Property. The Master Association shall have the power to borrow money and, with the approval of Members representing at least eighty percent (80%) of the voting power of the Master Association (exclusive of the voting power of Declarant), to encumber Master Association Properties as security for such borrowing. An agreement to convey, or subject the Master Association Properties to a security interest in accordance with this Master Declaration shall be evidenced by the execution of an agreement, or ratification thereof, in the same manner as a deed by the requisite number of Owners. The agreement shall specify a date after which the agreement will be void unless Recorded before that date and shall be effective upon Recordation.

8.20 Power to Engage Employees, Agents and Consultants. The Master Association shall have the power to hire and discharge employees and agents and to retain and pay for legal, management and accounting services as may be necessary or

desirable in connection with the performance of any duties or the exercise of any powers of the Master Association under this Master Declaration.

8.21 General Corporate Powers. The Master Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Act and under the Colorado Nonprofit Corporation Act, including, without limitation, entering into partnership and other agreements, subject only to such limitations upon such powers as may be set forth in this Master Declaration or in the Articles of Incorporation or By-Laws. The Master Association shall also have the power to do any and all lawful things which may be authorized, required, or permitted to be done under this Master Declaration (including, but not limited to, the power to delegate certain functions of the Master Association and the Design Review Committee to a Subassociation or design review committee (or similar body) created pursuant to a Supplemental Declaration pursuant to Article 12 below) or the Articles of Incorporation or By-Laws and to do and perform any and all acts which may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of the Master Association under this Master Declaration and the Articles of Incorporation or By-Laws.

8.22 Powers Provided by Law. In addition to the above-referenced powers, the Master Association shall have full power to take and perform any and all actions which may be lawfully taken by the Master Association under the Act and under the Colorado Nonprofit Corporation Act.

## **ARTICLE 9**

### **ASSESSMENTS**

9.1 Obligation and Lien for Assessments. Each Owner, by acceptance of a Deed, agrees to pay to the Master Association, Assessments, together with interest, late charges, cost of collection and attorneys' fees as provided herein. Such Assessments, interest, late charges, cost of collection and attorneys' fees shall also be a continuing lien upon the Site against which each Assessment is made in the event of delinquency in payment. Such Assessments, interest, late charges, cost of collection and attorneys' fees shall also be the personal obligation of the person who was the Owner, or the persons, jointly and severally, who were the Owners at the time the Assessment was made. Assessments may consist of Common Assessments, Special Assessments and Reimbursements Assessments.

9.2 Allocation of Assessments/Working Capital. All Assessments (other than Reimbursements Assessments) will be allocated equally among the Sites.

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Upon conveyance of a Site to an Owner, other than a Successor Declarant or a Principal Builder, by the Declarant or a Principal Builder, the Purchaser of the Site shall pay to the Master Association two (2) months' assessment at the assessment rate in effect or proposed at the time of such purchase as working capital for the Master Association. Upon the subsequent sale of such Site, the Seller shall receive a credit from the Purchaser for such contribution. Under no circumstance may an Owner obtain repayment of such contribution from the Master Association.

9.3 Common Assessments. Maximum Annual Assessment and Initial Assessment. For each calendar year, the Master Association may levy Common Assessments against Owners of the Sites. Each Owner shall be obligated to pay the Common Assessments levied against and allocated to such Owner and the Site of such Owner, as hereinafter provided. For the purposes of the calendar years 1996 and 1997, the amount of and commencement date for payment of the initial Common Assessment shall be determined by the Board of Directors (the "Initial Assessment"). The Initial Assessment shall be payable by the Owner of any Site at such time as the Owner of such Site takes title to the Site. The Initial Common Assessment paid by the Owner of a Site shall be prorated to reflect the time that the Owner took title to the Site. Until such time as the Initial Assessment commences, the Declarant shall pay the expenses of the Master Association.

Until January 1 of the year immediately following the conveyance of the first Site to an Owner by Declarant, the maximum annual assessment shall be One Thousand Two Hundred and No/100ths Dollars (\$1,200.00) per Site.

(a) Automatically, without a vote of the Membership, from and after January 1 of the year immediately following the conveyance of the first Site to an Owner by Declarant, the maximum annual assessment shall be increased effective on the first day of each year by an amount equal to the increase, if any, of the Consumer Price Index for the Denver-Boulder SMSA, published by the United States Department of Labor (or any successor index) for the twelve (12) months preceding July of the previous year, but in no event more than five percent (5%) of the maximum annual assessment for the previous year.

(b) From and after January 1 of the year immediately following the conveyance of the first Site to an Owner by Declarant, the maximum annual assessment may be increased by an amount equal to more than the increase permitted under subparagraph (a) above by a vote of at least sixty-seven percent (67%) of the Members who are voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be sent to all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

(c) The Board of Directors of the Master Association may fix the annual assessment at an amount not to exceed the maximum annual assessment for such year.

9.4 Supplemental Common Assessments. If the estimated sums required for Common Assessments prove inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, from time to time, levy a Supplemental Common Assessment. Such Supplemental Common Assessments shall be allocated among the Sites in the same manner Common Assessments are allocated. Written notice of any change in the amount of any annual Common Assessment shall be sent to every Owner subject thereto, not less than thirty (30) days prior to the effective date of such change, and shall be submitted to the Members as part of a supplemental budget pursuant to Section 9.5 below.

9.5 Annual Budgets. The Board of Directors shall cause to be prepared prior to imposing any Assessments and, commencing with calendar year 1997, prior to the commencement of each calendar year, a Budget for such calendar year. The Budget shall include an amount for contingencies and amounts deemed necessary or desirable for deposits to create, replenish, or add to the reserve fund for major capital repairs, replacements, and improvements to the Master Association Properties in such amounts as the Board of the Master Association deems appropriate. Copies of the Budget shall be made available by the Master Association to any Members requesting a copy of the same upon payment of the reasonable expenses of copying the same.

Within thirty (30) days after adoption of any proposed budget, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of 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 the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued and assessments shall be based thereon until such time as the Owners ratify or fail to reject a subsequent budget proposed by the Board of Directors.

9.6 Commencement of Common Assessments – Community Areas. Common Assessments shall commence as to each Site within the Community Area on the first day of the first month following the date of Recordation of the first Deed conveying a Site within the Community Area to an Owner other than Declarant, a successor Declarant or a Principal Builder. The Common Assessments for the then current calendar year shall be prorated within the Community Area on the basis of the number of months in such calendar year remaining from the date of commencement of such Common Assessments to the end of such calendar year. Prior to the commencement of assessments, the Declarant shall be responsible for all costs of the Master Association.

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9.7 Payment of Assessment. Common Assessments shall be due and payable in advance to the Master Association by the assessed Member during the calendar year in equal quarterly installments, on or before January 1, April 1, July 1 and October 1 of each calendar year, or in such other manner and on such other dates as the Board of Directors may designate in its sole and absolute discretion. Notice of the amount of the Common Assessments shall be given to each Member prior to January 1 of each year.

9.8 Failure to Fix Assessment. The failure by the Board of Directors to levy an Assessment for any year shall be deemed to be a continuation of the Assessment previously levied by the Master Association pursuant to the Budget adopted for the previous year and shall not be deemed a waiver or modification with respect to any of the provisions of this Master Declaration or a release of the liability of any Member to pay Assessments, or any installment thereof, for that or any subsequent year. No abatement of the Common Assessment or any other Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or Improvements to Master Association Properties or from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

9.9 Special Assessments for Capital Expenditures. After termination of Declarant's right to appoint members of the Board of Directors of the Master Association, in addition to Common Assessments, the Board of Directors may, subject to the provisions of this Section, levy and include in the budget Special Assessments for the purpose of raising funds not otherwise provided under the Budget from Common Assessments to construct or reconstruct, repair, or replace capital Improvements upon Master Association Properties, including necessary personal property related thereto; to add to the Master Association Properties; to provide for necessary facilities and equipment to offer the services authorized in this Master Declaration; or to repay any loan made to the Master Association to enable it to perform the duties and functions authorized in this Master Declaration. The Board of Directors shall not levy Special Assessments without the vote of the Members representing at least sixty-seven percent (67%) of the voting power of all Members at a meeting, written notice of which shall be sent to all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. Special Assessments shall be allocated in the same manner as Common Assessments. The Master Association shall notify Members in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable and the Members shall pay any such Special Assessment in the manner so specified.

9.10 Reimbursement Assessments. The Board of Directors may, subject to the provisions hereof, levy an Assessment against any Member if the wilful or negligent failure of the Member or a Person claiming through the Member to comply with this Master Declaration, the Articles of Incorporation, the Bylaws, or the Rules and Regulations shall



have resulted in the expenditure of funds by the Master Association to cause such compliance. Such Assessment shall be known as a Reimbursement Assessment and shall be levied only after approval by the Board. The amount of the Reimbursement Assessment shall be due and payable to the Master Association thirty (30) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owing.

9.11 Late Charges and Interest. If any Common Assessment, Special Assessment, or Reimbursement Assessment or any installment thereof is not paid within thirty (30) days after it is due, the Member obligated to pay the Assessment may be required to pay a reasonable late charge to be determined by the Board. Any Assessment or installment of an Assessment which is not paid within thirty (30) days after it is due shall bear interest from the due date at the rate of 18% per annum, or such other rate as may be established by the Board from time to time.

9.12 Attribution of Payments. All Common Assessment payments shall be credited first to late fees, interest, attorneys' fees and other costs of collection, and next to principal reduction, satisfying the oldest obligations first followed by more current obligations.

9.13 Notice of Default and Acceleration of Assessments. If any Common Assessment, Special Assessment, or Reimbursement Assessment or any installment thereof is not paid within thirty (30) days after its due date, the Board of Directors may mail a notice of default ("Notice of Default") to the Owner and to each Mortgagee of the Site who has requested a copy of the notice. The notice shall specify (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is mailed to the Member, by which such default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the Assessment or the installments of the Assessment against the Site of the Member. If the delinquent Assessment or installment and any late charges, legal fees or interest thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the Assessment to be immediately due and payable without further demand and may enforce the collection of the full Assessment and all charges and interest thereon in any manner authorized by law in this Master Declaration, subject to the protection afforded to the Mortgagees under this Master Declaration.

9.14 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct, and personal debt and obligation of the Owner or Member against whom the same is assessed. In the event of a default in payment of any Assessment or installment thereof, whether Common, Special, or Reimbursement, the Board may, in addition to any other remedies provided under this Master Declaration or by

law, enforce such obligation on behalf of the Master Association by suit or by filing and foreclosure of a lien as hereinafter provided.

9.15 Lawsuit to Enforce Assessments. The Board may bring suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include any late charges, interest, and other costs of enforcement, including reasonable attorneys' fees in the amount as the court may adjudge, against the defaulting Owner or Member.

9.16 Lien to Enforce Assessments. As provided in the Act, all Assessments against a Site (including late fees, interest, cost of collection and attorneys' fees) shall constitute a lien on such Site superior to all other liens and encumbrances, except: (a) tax and special assessment liens in favor of any assessing authority; (b) liens and encumbrances recorded prior to recordation of this Master Declaration; and (c) all sums unpaid under a Mortgage encumbering a Site ("First Mortgage") that has first priority over any other Mortgage encumbering such Site to the extent the Assessments were assessed after the First Mortgage is recorded. By acceptance of a deed for a Site, the Owner or Owners agree that the Assessment lien shall be prior to any homestead exemption or right and irrevocably waive any and all rights they may have to claim a homestead exemption against enforcement of the Assessment lien.

Notwithstanding the foregoing, the statutory lien for assessments is also prior to the lien of a First Mortgage to the extent of an amount equal to the assessments based on a period budget adopted by the Master Association which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution of an action to enforce or extinguish the statutory lien or the lien of the First Mortgage.

The recording of this Master Declaration constitutes record notice and perfection of the assessment lien. No further recordation of any claim of lien or assessment is required. However, to evidence such lien, the Master Association may Record a written notice setting forth the amount of such unpaid Assessments, the name of the Owner of the Site and the identification of the Site. Such notice shall be signed by one of the Board of Directors, an officer of the Master Association or an agent appointed by the Board and shall be recorded. The recording of a notice of lien shall not be a condition precedent to nor delay the attachment of a lien which shall attach as of the first day of any period for which any Assessment is levied. Such lien may be enforced by foreclosure on the defaulting Owner's Site by the Master Association in the same manner as a mortgage on real property and shall encumber all rents and profits issuing from the Site, which lien on rents and profits shall be subordinate to the matters described in subparagraphs (a) and (b) above. The Master Association shall have the power to bid at the foreclose sale and to acquire and hold, lease, mortgage and convey the Site. The Master Association shall have all of the rights and obligations with respect to enforcement of assessment liens which are set forth in the Act.

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9.17 Estoppel Certificates. Upon the written request delivered personally or by certified mail, return receipt requested, first-class postage prepaid, addressed to the Master Association's registered agent, of any Member or his designee and any Person with, or intending to acquire, any right, title, or interest in the Site of such Member, or of any Mortgagee or its designee, the Master Association shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a Site and the Owner thereof, and setting forth the amount of any Assessment levied against such Site which is not yet due and payable. Such statement shall, with respect to the Person to whom it is issued, be sent to the requesting person within fourteen (14) days after receipt of the written request and, if sent within such time period, shall be conclusive against the Master Association and all Persons for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have been levied.

9.18 No Offsets. The payment of Assessments is an independent covenant and all Assessments shall be payable in the amounts specified in the levy thereof without notice or demand (except as may be specifically required in this Master Declaration), and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Master Association or the Board of Directors is not properly exercising its duties and powers under this Master Declaration.

9.19 Other Liens. It is possible that liens other than mechanics' liens and Assessment liens may be obtained against Master Association Properties, including, without limitation, judgment liens, purchase money mortgage liens and liens for assessments imposed by any Subassociation created for a portion of the Community Area.

## ARTICLE 10

### MISCELLANEOUS

10.1 Term of Master Declaration. Unless amended as herein provided, each provision contained in this Master Declaration shall continue and remain in full force and effect for a period of twenty (20) years after the date this Master Declaration is Recorded, and thereafter shall be automatically extended for successive periods of ten (10) years each unless terminated by the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Master Association at duly constituted meetings of the Members. In the event this Master Declaration is terminated, the termination of this Master Declaration shall be evidenced by a termination agreement ("Termination Agreement"), or ratification thereof, executed by the requisite number of Owners. The Termination Agreement shall specify a date after which the Termination Agreement will be void unless Recorded before such date. The Termination Agreement

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shall be Recorded and the termination of this Master Declaration shall be effective upon such Recording.

10.2 Amendment of Master Declaration by Members. Except as otherwise provided in this Master Declaration, including Section 6.1, and subject to provisions elsewhere contained in this Master Declaration requiring the consent of Declarant or others, any provisions, covenant, condition, restriction, or equitable servitude contained in this Master Declaration may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by Members of the Master Association holding at least seventy-five percent (75%) of the voting power of the Master Association present in person or by proxy at duly constituted meetings of the Members. The approval of any such amendment or repeal shall be evidenced by the certification by the Board of Directors of the Master Association of the votes of Members. The amendment or repeal shall be effective upon the Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Master Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved by the required vote of the Members. Any Amendment to the Master Declaration made hereunder shall be effective only when Recorded. If HUD or VA has insured or guaranteed a mortgage on any Site, until termination of Declarant's right to appoint a majority of the Board of Directors, any amendment shall be approved by HUD or VA, as the case may be.

10.3 Member and First Mortgagee Approval. Notwithstanding any other provisions of this Master Declaration to the contrary, the Master Association shall not:

(a) Unless it has obtained the prior written consent of at least seventy-five percent (75%) of the Members or the consent of sixty-seven percent (67%) of the First Mortgagees of Sites (based on one vote for each First Mortgage held) and either the VA or HUD if either agency has insured or guaranteed a First Mortgage:

(i) seek to abandon or terminate the Master Declaration, whether by act or omission;

(ii) change the pro rata interest or obligations of any individual Site for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards;

(iii) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Master Association Properties (excluding the granting of permits, licenses and easements for public utilities, roads or other purposes reasonably necessary or useful for the proper maintenance or operation of the Master Association Properties);

(iv) amend any provisions of this Master Declaration or the Articles of Incorporation or By-Laws of the Master Association which are for the express benefit of First Mortgagees; or

(v) use hazard insurance proceeds for losses to any part of the Master Association Properties for other than the repair, replacement or reconstruction of such part of the Master Association Properties.

(b) Unless, within thirty (30) days after receipt of written notice, a First Mortgagee or insurer or guarantor of a First Mortgage notifies the Master Association of its disapproval of any of the matters requiring their approval as provided herein, the approval of such First Mortgagee or insurer or guarantor of a First Mortgage shall be deemed to have been given.

10.4 Amendment of Articles and By-Laws. The Articles of Incorporation and By-Laws may be amended in accordance with the provisions set forth in such instruments and any applicable provisions of this Master Declaration or, in the absence of such provisions, in accordance with applicable provisions of the Colorado Nonprofit Corporation Act.

10.5 Special Rights of First Mortgagees. Any First Mortgagee of a First Mortgage encumbering any Site in the Community Area which has filed a written request with the Master Association to be notified of any proposed action requiring First Mortgagee consents, shall be entitled to:

(a) Receive written notice from the Master Association of any default by the Mortgagor of such Site in the performance of the Mortgagor's obligations under this Master Declaration, the Articles of Incorporation, the Bylaws, or the Rules and Regulations, which default is not cured within sixty (60) days after the Master Association learns of such default;

(b) Examine the books and records of the Master Association during normal business hours;

(c) Receive a copy of financial statements of the Master Association including any annual financial statement within ninety (90) days following the end of any fiscal year of the Master Association;

(d) Receive written notice of all meetings of Members;

(e) Designate a representative to attend any meeting of Members;

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(f) Receive thirty (30) days' written notice prior to the effective date of any proposed material amendment to this Master Declaration, the Articles of Incorporation, or the By-Laws requiring consent of a certain percentage of First Mortgagees;

(g) Receive immediate written notice as soon as the Master Association receives notice or otherwise learns of any damage to the Master Association Properties, if the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000) and as soon as the Master Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Master Association Properties; and

(h) Receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Master Association.

10.6 First Mortgagee Exemption from Rights of First Refusal. Any such First Mortgagee who obtains title to any Site pursuant to the remedies provided in the Mortgage held by such First Mortgagee or pursuant to any foreclosure of Mortgage or by deed or assignment in lieu of foreclosure shall be exempt from any right of first refusal if any such right of first refusal is ever contained in this Master Declaration or any Supplemental Declaration.

10.7 Priority of First Mortgage Over Assessments. Each First Mortgagee of a Mortgage encumbering a Site who obtains title to such Site pursuant to the remedies provided in the Mortgage, by judicial foreclosure, or by deed or assignment in lieu of foreclosure shall take title to the Site free and clear of any claims for unpaid Assessments or charges against such Site which accrued prior to the time such holder acquires title to such Site.

10.8 First Mortgagee Right to Pay Taxes and Insurance Premiums. Any such First Mortgagee or any such First Mortgagees, jointly or singly, shall be entitled to pay any taxes or other charges which are in default and which may or have become a charge against any of the Master Association Properties and may pay any overdue premiums on hazard insurance policies for any Master Association Properties, and the First Mortgagees making such payments shall be entitled to immediate reimbursement therefor from the Master Association.

10.9 Master Association Right to Mortgage Information. Each Owner hereby authorizes any First Mortgagee holding a Mortgage on such Owner's Site to furnish information to the Master Association concerning the status of such First Mortgage and the loan which it secures.

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10.10 Amendment Required by Government Mortgage Agencies. Notwithstanding the provisions of Article 10 hereof, and to the extent permitted under the Act, any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration which any Government Mortgage Agency requires to be amended or repealed may be amended or repealed solely by Declarant and no approval, consent or vote of any other person or entity shall be required, other than the prior written consent of the VA or FHA if either agency has insured or guaranteed a Mortgage on a Site. Declarant's rights under this Section 10.10 shall terminate on the earlier of ten (10) years after the date of recordation of this Master Declaration or the sale of all Sites owned by Declarant or a successor Declarant. Any such amendment or repeal shall be effective upon the Recordation of a certificate, executed by Declarant, setting forth the amendment or repeal in full. "Governmental Mortgage Agency" shall mean the FHA, the VA, the FHLMC, the GNMA, the FNMA, or any similar entity, public or private, authorized, approved, or sponsored by any governmental agency to insure, guarantee, make or purchase Mortgage loans. "FHA" shall mean the Federal Housing Administration of the United States Department of Housing and Urban Development, including such department or agency of the United States Government as shall succeed to the FHA in insuring notes secured by mortgages and deeds of trust on residential real estate. "VA" shall mean the Veterans Administration of the United States of America, including such department or agency of the United States Government as shall succeed to the VA in its present function of issuing guarantees with respect to notes secured by Mortgages on Residential Sites. "FHLMC" shall mean the Federal Home Loan Mortgage Corporation or The Mortgage Corporation created by Title III of the Emergency Home Finance Act of 1970, including any successors thereto. "FNMA" shall mean the Federal National Mortgage Master Association, a governmental-sponsored private corporation established as such pursuant to Title VIII of the Housing and Urban Development Act of 1968, including any successor thereto. "GNMA" shall mean the Government National Mortgage Master Association administered by the United States Department of Urban Development, including any successor thereto.

10.11 Notices. Any notice permitted or required to be given under this Master Declaration shall be in writing and may be given either personally or by mail, telephone, or telegraph. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Master Association for the purpose of service of such notice, or to the Site of such Person if no address has been given to the Master Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Master Association.

10.12 Persons Entitled to Enforce Master Declaration. The Master Association, acting by authority of the Board, and any Member of the Master Association shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions, and

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equitable servitudes contained in this Master Declaration against any property within the Community Area and the Owner thereof. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Master Declaration.

10.13 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction, and equitable servitude contained in this Master Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Master Declaration.

10.14 Enforcement of Self-Help. Declarant, any Principal Builder or the Master Association, or any authorized agent of any of them, may enforce, by self-help, any of the provisions, covenants, conditions, restrictions, and equitable servitudes contained in this Master Declaration.

10.15 Violations of Law. Any violation of any federal, state, municipal, or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Community Area is hereby declared to be a violation of this Master Declaration and shall be subject to any and all enforcement procedures set forth in this Master Declaration.

10.16 Remedies Cumulative. Each remedy provided under this Master Declaration is cumulative and not exclusive.

10.17 Costs and Attorneys' Fees. In any action or proceeding under this Master Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith including reasonable attorneys' fees.

10.18 Limitation on Liability. The Master Association, the Board of Directors, the Design Review Committee, Declarant, Principal Builders and any Member, owner, officer, director, agent, or employee of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

10.19 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Community Area, or any Improvement thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing.



10.20 Liberal Interpretation. The provisions of this Master Declaration shall be liberally construed as a whole to effectuate the purpose of this Master Declaration.

10.21 Governing Law. This Master Declaration shall be construed and governed under the laws of the State of Colorado.

10.22 Severability. Each of the provisions of this Master Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial validity or partial enforceability of the provisions or portion thereof shall not affect the validity or enforceability of any other provision.

10.23 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine, or neuter genders shall each include the masculine, feminine, and neuter genders.

10.24 Captions for Convenience. The titles, headings, and captions used in this Master Declaration are intended solely for convenience of reference and shall not be construed in construing any of the provisions of this Master Declaration.

10.25 Mergers or Consolidations. Upon a merger or consolidation of the Master Association with another association, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Master Association as a surviving corporation pursuant to a merger. The surviving consolidated association may administer and enforce the covenants, conditions, and restrictions established by this Master Declaration governing the Property, together with the covenants and restrictions established upon any other property as one plan.

10.26 Disclaimer Regarding Safety. DECLARANT AND PRINCIPAL BUILDERS HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY AREA. ANY OWNER OF PROPERTY WITHIN THE COMMUNITY AREA ACKNOWLEDGES THAT DECLARANT AND PRINCIPAL BUILDERS ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION AND BYLAWS, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY AREA.

10.27 Recorded Easements. In addition to all easements and rights-of-way of record at or before recordation of this Master Declaration, the Community Area, and all

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portions thereof, shall be subject to the easements shown on any Recorded plat or map of the Community Area, or any portion thereof. Further, the Community Area, or portions thereof, is now or may hereafter be subject to the easements, licenses, and other recorded documents, or any of them, set forth on Exhibit D attached hereto and incorporated herein by this reference.

10.28 Master Association Books and Records. The Master Association shall make available to Owners, First Mortgagees of Sites and insurers or guarantors of any such First Mortgage, current copies of this Master Declaration, and the Articles of Incorporation, By-Laws, Rules and Regulations, books, records and financial statements of the Master Association, copies of which shall be maintained by the Master Association. The Master Association shall make available to prospective purchasers of Sites current copies of this Master Declaration, and the Articles of Incorporation, By-Laws, Rules and Regulations, and the most recent annual financial statement, if such is prepared, of the Master Association. The Master Association shall not be required to prepare audited financial statements. However, if there is no audited financial statement available, any First Mortgagee shall be allowed to have an audited financial statement prepared, at its expense, three (3) copies of which shall be provided to the Master Association. "Available" shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances. The Master Association may charge a fee for the reasonable copying costs of any materials provided pursuant to this Section.

10.29 Statement of Unpaid Assessments. The Master Association shall provide to an Owner or its designee or to a holder of a security interest or its designee, upon written request, a statement setting forth the amount of unpaid assessments currently levied against such Owner's Site, as provided in Section 9.17 above.

## ARTICLE 11

### GOLF EASEMENT

11.1 Grant of Easement. Declarant hereby reserves and grants an easement (the "Golf Easement"), as hereafter described, in the entire airspace above, and upon the entire real property and improvements subject to the Master Declaration, to permit the performance of every act necessary and proper for the playing of golf on the Castle Pines North Golf Club Course (said golf course constitutes the dominant tenement, and is herein referred to as the "Golf Course Property") adjacent to or in the vicinity of the Sites which are the subject of the Golf Easement (said Sites constitute the subservient tenement, and are herein referred to as the "Subject Property"). The acts permitted by this Golf Easement shall include, without limitation, the flight of golf balls through the air over and upon the Subject Property, and the entry of golf balls upon and/or across the Subject Property, and

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any improvements constructed, or to be constructed upon the Subject Property, as an incident to the reasonable use of the Golf Course Property; the use of necessary and usual equipment upon the Golf Course Property; the usual and common noise level created by the playing of the game of golf; and the noise level associated with the maintenance, repair and mowing of a golf course, as well as all of the other common and usual activities associated with the game of golf and with all the normal and usual activities associated with the operation of a golf course, except that persons using the Golf Course Property shall not have any right to enter upon any of the Sites located within the Subject Property now or in the future to retrieve golf balls or for any other purpose.

11.2 Hold Harmless. Each Owner of all or any portion of the Subject Property, by acceptance of a deed conveying same, and each successor and assign of each such Owner, assumes all of the risks which are associated with the game of golf and the flight of golf balls over and upon their Site, including, without limitation, the possibility of damage to their property and personal injury and death. Each such Owner agrees to hold Declarant, Principal Builders, the Master Association, any Subassociation, the owner and operator of the Golf Course Property, and their respective successors, assigns, agents, affiliates, subsidiaries, officers, directors, partners, representatives and attorneys harmless from any and all rights, claims, losses, costs and causes of action of every kind and nature whatsoever now possessed or hereafter arising in whole or in part from the existence, operation and reasonable use of the Golf Course Property. This hold harmless agreement shall not extend to the individual placing a golf ball in flight if such flight is the proximate cause of personal injury or property damage.

11.3 Assumption of Risk. Declarant, for itself, its successors and assigns, and each Owner acknowledge that a golf course will be or has been constructed on the Golf Course Property adjacent to or in the vicinity of the Subject Property, that golf holes currently are being developed and/or currently exist on such golf course and that as the holes are presently or hereafter designed and played, it is foreseeable and probable that golf balls will have sufficient force and velocity to do serious harm to a person or to a building or to items of personal property. Owners, for themselves and their successors and assigns, assume such risk, and waive any rights, claims or causes of action such persons may have against Declarant, Principal Builders, the Master Association, any Subassociation, the owner and operator of the Golf Course Property, and their respective successors and assigns, to the fullest extent permissible by law, for any injury resulting from the design of said golf course, or the location of the Subject Property in relation to said golf course. Owners, and their successors and assigns, waive any claim and right they may have to claim that the normal and customary operations of the golf course constitute a nuisance or that any aspect of the golf course operation should be limited to any specific hour of the day.

11.4 Binding on Successors. The obligations and agreements of Owners, their successors and assigns, pursuant to this Golf Easement shall run with the Subject

Property, shall inure to the benefit of Declarant, Principal Builders, the Master Association, any Subassociation, the owner and operator of the Golf Course Property, and all of their respective successors and assigns, and shall also inure to the benefit of the Golf Course Property, and such obligations and agreements of Owners, their successors and assigns, shall be binding upon all successive owners or transferees of all or any portion of the Subject Property. Should the Subject Property be increased by the annexation of additional property to the Master Declaration, the conditions, covenants, and restrictions contained in this Golf Easement shall be binding upon all purchasers of Sites contiguous and adjacent to the Golf Course Property or otherwise comprising a part of the Subject Property, and the provisions of this Golf Easement shall apply to any and all such purchasers, and their respective successors and assigns. Should the Subject Property be utilized as rental or lease property, Owners, for themselves, their successors and assigns, further agree that the conditions, covenants and restrictions contained in this Golf Easement shall be binding upon all renters, lessees and tenants of all or any portion of the Subject Property contiguous and adjacent to the Golf Course Property or otherwise constituting a part thereof, and that any such renters, lessees and tenants, and their successors and assigns, shall abide by all of the provisions of this Golf Easement.

11.5 Miscellaneous. In the event of any controversy, claim or dispute relating to this Golf Easement or the breach of this Golf Easement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees and costs incurred in connection with such litigation. This Golf Easement shall be governed by, and shall be construed in accordance with, the laws of the State of Colorado.

## ARTICLE 12

### SUPPLEMENTAL DECLARATIONS AND SUBASSOCIATIONS

12.1 Recordation of Supplemental Declarations. Declarant and any Principal Builder may execute and record a Supplemental Declaration which encumbers a portion of the Community Area. Such Supplemental Declaration shall refer to this Master Declaration and may create a Subassociation and may impose additional requirements on the Sites and Common Areas which are subject to such Supplemental Declaration (but shall have no effect on other property which is subject to this Master Declaration but not such Supplemental Declaration), provided that no such additional requirements may amend or be in conflict with the provisions of this Master Declaration, unless approved as an amendment to this Master Declaration pursuant to the provisions of Section 10.2 of this Master Declaration. Any Supplemental Declaration may provide its own procedure for amendment of any provisions thereof, provided that such procedures are consistent with the provisions of the Act. All Sites which are subjected to the provisions of any such Supplemental Declaration shall automatically be subject to the provisions of this Master Declaration and the Supplemental Declaration without the necessity of a specific reference

to this Master Declaration in any deed, notice, Supplemental Declaration or other instrument. In the event of any conflict between the provisions of this Master Declaration and the provisions of any Supplemental Declaration, the more stringent provisions shall control. Sites may be annexed to this Master Declaration through a Supplemental Declaration, as well as pursuant to the other provisions of this Master Declaration governing annexation of additional property. The Master Association may, but shall not be required to, delegate certain functions and authority of the Master Association and the Design Review Committee under this Master Declaration to a Subassociation and/or design review committee (or similar body) created under a Supplemental Declaration provided that any such delegated authority may be exercised by such Subassociation or Design Review Committee (or similar body) only with respect to the property made subject to the Supplemental Declaration. Any such delegation of authority shall be in a written instrument executed by the Presidents of both the Master Association and Subassociation, after approval of their respective Boards of Directors, which is duly Recorded. Such delegation of authority may be modified or revoked at any time by the Master Association pursuant to a duly Recorded written instrument executed solely by the President of the Master Association after approval of the Board of Directors of the Master Association.

12.2 Subassociation. Any Supplemental Declaration may create a Subassociation, the members of which are the Owners of Sites which are subject to such Supplemental Declaration. Any Subassociation shall be organized as a non-profit corporation in accordance with the provisions of the Act and the Colorado Non-Profit Corporation Act. Any Subassociation may be granted all of the powers granted to associations under the Act, including the power to impose and collect assessments from its Members solely with respect to common areas to be owned solely by such Subassociation and used by and benefitting any of the members of such Subassociation. The lien for assessments imposed by any Subassociation shall be subordinate to the lien created under this Master Declaration, but, otherwise, such assessment lien shall have the priority set forth under the Act.

12.3 Declarant's Approval Required. Until such time as Declarant no longer owns any Sites within the Community Area, and to the extent permitted under the Act, any Supplemental Declaration and/or Subassociation created pursuant to the provisions of the Master Declaration or otherwise with respect to Sites which also are subject to this Master Declaration shall be approved and executed by the Declarant prior to Recording or, with respect to a Subassociation, prior to filing the Articles of Organization with the Colorado Secretary of State. Any Supplemental Declaration and/or Subassociation which has not been so approved by the Declarant shall be null and void and of no effect on any part of the Community Area or on any Owners. Upon the conveyance of all Sites by Declarant to a Principal Builder or other Owner (other than a successor Declarant), the provisions of this Section 12.3 shall terminate and any Supplemental Declaration and/or Subassociation may be created by a Principal Builder or, in the event a Principal Builder has conveyed all Sites

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12.4 Compliance with Common Interest Ownership Act. Nothing contained in this Article 12 shall be construed as limiting the rights of Owners to create a new Supplemental Declaration or Subassociation under the Act except as specifically permitted under the Act. Any Supplemental Declaration and any delegation of authority to a Subassociation or Design Review Committee (or similar body) shall not be deemed to be an amendment to this Master Declaration, as such authority has been granted herein.

**ANTHEM CASTLE PINES DEVELOPMENT, L.P., a  
Colorado limited partnership**

By: Joe W. King  
Its: President

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of March, 1997, by GENE W. MYERS as President of Anthem Castle Pines Development, Inc., a Colorado corporation, general partner of ANTHEM CASTLE PINES DEVELOPMENT, L.P., a Colorado limited partnership.

My commission expires: Sept. 29, 1999

A circular notary seal for Emily L. Carroll, a Notary Public in the State of Colorado. The seal features a rope-like border. Inside the border, the text "STATE OF COLORADO" is at the top, "NOTARY PUBLIC" is at the bottom, and "EMILY L. CARROLL" is in the center. A horizontal line is drawn across the center of the seal, passing through the word "NOTARY".

EXHIBIT A  
LEGAL DESCRIPTION  
OF  
COMMUNITY AREA  
(Initial Phase)

The following-described real property located in Sections 4, 5, 8, and 9 of Township 7 South, Range 67 West of the 6th principal meridian, County of Douglas, State of Colorado:

Tracts B through Z and AA, inclusive, Castle Pines North Filing No. 13-A, according to the final plat thereof recorded on August 1, 1996, in the records of the Clerk and Recorder for the County of Douglas, State of Colorado, at Reception No. 9641831, and

Tracts A, B, C, D, E, F, G, H, I, K, L, N, Q, R, S, T, U, V, X, F1, G1, V1, and V2, Castle Pines North Filing No. 19, according to the final plat thereof recorded on APRIL 11, 1997, in the records of the Clerk and Recorder for the County of Douglas, State of Colorado, at Reception No. 9718933.

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EXHIBIT B

LEGAL DESCRIPTION

OF

POTENTIAL FUTURE ANNEXED PROPERTY

The following-described real property less the property described in Exhibits A and C hereto:

A TRACT OF LAND LOCATED IN SECTIONS 4, 5, 8 AND 9 OF TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:"

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 8 AND CONSIDERING THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 8 TO BEAR S 00°27'10" W, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 8, S 00°27'10" W, 479.31 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE S 81°33'09" W, 161.46 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1500.00 FEET, A CENTRAL ANGLE OF 13°05'47", AND A CHORD WHICH BEARS S 88°06'03" W, 342.12 FEET; THENCE N 85°21'03" W, 550.00 FEET; THENCE S 53°13'34" W, 129.78 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 570.00 FEET, A CENTRAL ANGLE OF 37°07'31" AND A CHORD WHICH BEARS S 34°39'49" W, 362.91 FEET; THENCE S 16°06'03" W, 150.05 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1080.00 FEET, A CENTRAL ANGLE OF 42°47'45" AND A CHORD WHICH BEARS S 37°29'55" W, 788.06 FEET; THENCE S 58°53'47" W, 206.46 FEET; THENCE S 31°06'12" E, 10.00 FEET; THENCE S 58°53'47" W, 464.35 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 479.04 FEET, A CENTRAL ANGLE OF 15°17'58" AND A CHORD WHICH BEARS N 06°25'05" E, 127.54 FEET; THENCE N 01°13'54" W, 1490.32 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 703.88 FEET, A CENTRAL ANGLE OF 31°29'29" AND A CHORD WHICH BEARS N 16°58'39" W, 382.02 FEET; THENCE N 32°43'24" W, 40.82 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 302.65 FEET, CENTRAL ANGLE OF 48°32'38", AND A CHORD WHICH BEARS N 08°27'05" W, 248.82 FEET; THENCE N 15°49'15" E, 418.21 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 658.90 FEET, A CENTRAL ANGLE OF 9°40'55", AND A CHORD WHICH BEARS N 10°58'48" E, 111.21 FEET; THENCE

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N 51°40'49" E, 843.04 FEET; THENCE N 16°26'00" E, 481.87 FEET; THENCE N 61°46'27" E, 161.61 FEET; THENCE S 69°53'25" E, 435.36 FEET; THENCE N 81°32'25" E, 355.28 FEET; THENCE N 15°11'26" E, 222.01 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1490.00 FEET, A CENTRAL ANGLE OF 30°17'48", AND A CHORD WHICH BEARS N 84°45'54" E, 778.73 FEET; THENCE N 69°37'00" E, 270.80 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1750.00 FEET, A CENTRAL ANGLE OF 6°48'38", AND A CHORD WHICH BEARS N 66°12'41" E, 207.89 FEET; THENCE S 13°24'45" E, 529.37 FEET; THENCE S 29°03'16" E, 200.00 FEET; THENCE S 42°06'06" E, 500.00 FEET; THENCE S 37°16'32" E, 340.38 FEET; THENCE S 26°22'45" E, 195.09 FEET; THENCE S 11°28'30" E, 261.21 FEET; THENCE S 8°25'29" W, 296.62 FEET; THENCE S 53°24'12" E, 185.02 FEET; THENCE S 48°55'18" W, 326.16 FEET; THENCE

S 47°34'13" W, 227.21 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET, A CENTRAL ANGLE OF 42°27'43" AND A CHORD WHICH BEARS S 85°47'32" W, 434.55 FEET; THENCE N 89°58'04" W, 416.52 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1500.00 FEET, A CENTRAL ANGLE OF 8°28'46" AND A CHORD WHICH BEARS S 85°47'32" W, 221.79 FEET; THENCE S 81°33'09" W, 23.43 FEET TO THE POINT OF BEGINNING, CONTAINING A 214.36 ACRES, EXCEPTING THEREFROM THE FOLLOWING DESCRIPTION:

A TRACT OF LAND IN THE NORTHEAST QUARTER OF SECTION 8 OF TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 8 AND CONSIDERING THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 8 TO BEAR S 00°27'10" W, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE S 75°50'13" W, 294.83 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE S 58°55'56" E, 250.00 FEET; THENCE S 31°04'04" W, 100.00 FEET; THENCE N 58°55'56" W, 250.00 FEET; THENCE N 31°04'04" E, 100.00 FEET TO THE POINT OF BEGINNING, CONTAINING 0.57 ACRES.

EXCEPT FOR THE FOLLOWING DESCRIBED REAL PROPERTY:

A tract of land located in the Southwest quarter of Section 4 the Southeast quarter of Section 5, the Northeast quarter of Section 8 and the Northwest quarter of Section 9 all in Township 7 South, Range 67 West of the 6th Principal Meridian in Douglas County, Colorado, being described as follows:

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Commencing at the Southeast corner of Section 5 and considering the East line of said Southeast quarter of said Section 5 to bear South 00°28'58" West with all bearings contained herein, relative thereto;

thence North 08°45'00" East, 1,700.58 feet to the POINT OF BEGINNING of this description;

thence along a non-tangent curve to the left having a delta of 35°32'29", a radius of 440.00 feet, an arc of 280.62 feet and a chord which bears North 00°39'09" East, 275.89 feet;

thence North 17°37'05" West, 60.97 feet;

thence North 15°36'52" East, 136.39 feet to a point on the South line of Castle Pines Parkway as recorded in Book 562 at Page 413 in the records of the Douglas County Clerk and Recorder;

thence along said South line the following two courses;

thence North 69°37'00" East, 0.60 feet;

thence along a curve to the left having a delta of 06°48'36", a radius of 1750.00 feet, an arc of 208.00 feet and a chord which bears North 66°12'42" East, 207.88 feet to the Northwest corner of Castle Pines North Filing No. 3 according to the recorded plat thereof;

thence along the Westerly boundary of said Castle Pines North Filing No. 3 the following four courses;

thence South 13°24'45" East, 529.37 feet;

thence South 29°03'16" East, 200.00 feet;

thence South 42°06'06" East, 500.00 feet;

thence South 37°16'32" East, 340.38 feet to the Southwest corner thereof;

thence leaving said Westerly boundary, South 76°22'45" East, 195.09 feet;

thence South 11°28'30" East, 261.21 feet;

thence South 08°25'29" West, 296.62 feet;

thence South 53°24'12" East, 185.02 feet;

thence South 48°55'07" West, 326.20 feet;

thence South 47°34'13" West, 227.21 feet;

thence along a curve to the right having a delta of 42°27'41", a radius of 600.00 feet, an arc of 444.66 feet and a chord which bears South 68°48'05" West, 434.55 feet;

thence North 89°58'04" West, 416.52 feet;

thence along a curve to the left having a delta of 08°28'46", a radius of 1500.00 feet, an arc of 221.99 feet and a chord which bears South 85°47'12" West, 221.79 feet;

thence South 81°33'09" West, 184.89 feet;

thence along a curve to the right having a delta of 13°05'47", a radius of 1500.00 feet, an arc of 342.87 feet and a chord which bears South 48°06'03" West, 342.12 feet;

thence North 85°21'03" West, 350.00 feet;

thence South 53°13'34" West, 129.78 feet;

thence along the arc of a curve to the left having a central angle of 27°51'33", a radius of 570.00 feet and an arc length of 277.17 feet;

thence North 48°00'00" West, 74.34 feet;

thence along a non-tangent curve to the right having a delta of 116°12'55", a radius of 370.00 feet, an arc of 750.49 feet and a chord which bears North 31°53'32" East, 628.29 feet;

thence North 90°00'00" East, 250.59 feet;

thence along a curve to the left having a delta of 34°14'05", a radius of 430.00 feet, an arc of 256.94 feet and a chord which bears North 72°52'55" East, 253.13 feet;

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thence South 88°12'02" East, 243.29 feet;  
 thence South 58°55'56" East, 250.00 feet;  
 thence North 31°04'04" East, 100.00 feet;  
 thence North 58°55'56" West, 131.49 feet;  
 thence South 64°10'12" East, 752.05 feet;  
 thence North 68°21'10" East, 220.55 feet;  
 thence North 53°19'41" East, 74.05 feet;  
 thence North 61°18'00" East, 27.59 feet;  
 thence North 67°16'20" East, 115.97 feet;  
 thence North 55°30'24" East, 45.80 feet;  
 thence North 34°50'23" East, 44.05 feet;  
 thence North 15°49'40" East, 49.02 feet;  
 thence North 05°17'03" East, 187.88 feet;  
 thence North 00°02'44" West, 136.82 feet;  
 thence North 16°29'09" West, 36.21 feet;  
 thence North 29°31'47" West, 106.22 feet;  
 thence North 06°57'27" West, 49.28 feet;  
 thence North 11°07'30" East, 69.61 feet;  
 thence North 06°08'27" East, 36.93 feet;  
 thence North 23°08'14" West, 35.74 feet;  
 thence North 55°01'23" West, 134.63 feet;  
 thence along a non-tangent curve to the left having a delta of 43°27'15", a radius of 295.00 feet, an arc of 223.73 feet and a chord which bears North 37°13'18" West, 218.41 feet;  
 thence North 58°56'55" West, 227.48 feet;  
 thence along a curve to the right having a delta of 07°52'18", a radius of 330.00 feet, an arc of 45.34 feet and a chord which bears North 55°00'46" West, 45.30 feet;  
 thence North 06°18'53" East, 126.95 feet;  
 thence North 26°19'47" West, 410.95 feet;  
 thence North 50°37'35" West, 111.04 feet to the TRUE POINT OF BEGINNING.

AND EXCEPT FOR THE FOLLOWING DESCRIBED REAL PROPERTY:

A tract of land located in the Southwest quarter of Section 4 the Southeast quarter of Section 5, the Northeast quarter of Section 8 and the Northwest quarter of Section 9 all in Township 7 South, Range 67 West of the 6th Principal Meridian in Douglas County, Colorado, being described as follows:

COMMENCING at the Southeast corner of Section 5 and considering the East line of said Southeast quarter of said Section 5 to bear South 00°28'58" West with all bearings contained herein, relative thereto;  
 thence North 05°59'45" East, 1701.93 feet to the POINT OF BEGINNING;  
 thence South 82°00'00" West, 1535.35 feet;

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 B1422 - P1600 - \$350.00 - 67/ 70

EXHIBIT C

LEGAL DESCRIPTION

OF

INITIAL MASTER ASSOCIATION PROPERTY

The following-described real property located in Sections 4, 5, 8, and 9 of Township 7 South, Range 67 West of the 6th principal meridian, County of Douglas, State of Colorado:

Tracts B through Z and AA, inclusive, Castle Pines North Filing No. 13-A, according to the final plat thereof recorded on August 1, 1996, in the records of the Clerk and Recorder for the County of Douglas, State of Colorado, at Reception No. 9641831, and

Tracts A, B, C, D, E, F, G, H, I, K, L, N, Q, R, S, T, U, V, X, F1, G1, V1, and V2, Castle Pines North Filing No. 19, according to the final plat thereof recorded on APRIL 11, 1997, in the records of the Clerk and Recorder for the County of Douglas, State of Colorado, at Reception No. 9718932.

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B1422 - P1601 - \$350.00 - 68/ 70

## EXHIBIT D

### RECORDED EASEMENTS, LICENSES AND OTHER DOCUMENTS

1. An undivided 1/2 interest of all minerals and mineral rights in the mineral estate without right of surface entry, on or underlying the property, including, without limitation, oil, gas, coal or other hydrocarbons and geothermal resources by William E. Hughes, Holly Hughes, and Doris Bell Cogswell-Morfit in Deeds recorded December 22, 1980 in Book 402 at Pages 684, 689 and 694.
2. Any lien, fee or assessment by reason of the subject property being included in the Cherry Creek Basin Authority as evidenced by Notice recorded May 6, 1988 in Book 790 at Page 718.
3. Terms, conditions and provisions of the Water Lease and Water Facility Purchase Agreement by and between Castle Pines Land Company, et al. and Castle Pines North Metropolitan District, recorded October 30, 1984 in Book 545 at Page 870, and September 20, 1989 in Book 873 at Page 745.
4. Public Utility and Access Easement granted by The Friedkin Companies to Castle Pines North Metropolitan District recorded July 23, 1992 in Book 1073 at Page 159.
5. Terms, conditions and provisions of the Castle Pines North Development Guide recorded December 13, 1988 in Book 831 at Page 772.
6. Effects of the Castle Pines North Development Plan Map recorded June 26, 1984 at Reception No. 330441, The Castle Pines North Development Plan Amended Development Map recorded October 7, 1985 at Reception No. 364228, and the Second Amendment recorded December 13, 1988 at Reception No. 8830922.
7. The effect, if any, of the recordation of the Castle Pines North Roadway Standards recorded June 26, 1984 in Book 527 at Page 83.
8. The effects, if any, of the following recorded instruments: Organization of Castle Pines North Metropolitan District recorded March 12, 1984 in Book 511 at Page 695, April 16, 1984 in Book 516 at Page 835, June 15, 1984 in Book 525 at Page 351, and March 7, 1986 in Book 628 at Page 259, in Book 685 at Page 464.

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9. Terms, conditions, and provisions of Master Declaration of Covenants, Conditions, Restrictions and Easements for Castle Pines North recorded October 22, 1984 in Book 544 at Pages 588 and 684, September 23, 1985 in Book 586 at Pages 740 and 775 and March 13, 1985 in Book 585 at Pages 231 and 258, and January 25, 1985 in Book 559 at Page 377, and in Book 787 at Page 399.
10. Right-of-way easement as granted to Intermountain Rural Electric Association in instrument recorded April 8, 1986 in Book 633 at Page 200.
11. Declaration and Grant of Easement by Castle Pines Land Company recorded November 1, 1988 in Book 823 at Page 94.
12. An easement for utility purposes as granted to Public Service Company of Colorado, by instrument recorded December 28, 1988, in Book 834 at Page 277 and 279.
13. Non-Exclusive Temporary Construction Easement and Agreement by CPV, Inc., to Fidelity Castle Pines, Ltd., recorded July 12, 1990 in Book 921 at Page 376, and as assigned to the Intermountain Rural Electric Association recorded July 31, 1990 in Book 923 at Page 920.
14. The effect of Order of Inclusion recorded July 21, 1995 in Book 1276 at Page 804.
15. Declaration of Easements dated February 5, 1996, by Anthem Castle Pines Development, L.P., recorded February 9, 1996, at Reception No. DC9607042.
16. Golf Course Declaration of Covenant dated February 5, 1996, by Anthem Castle Pines Development, L.P., recorded February 9, 1996, at Reception No. DC9607046.
17. Declaration of Covenants dated February 2, 1996, by Castle Pines North Golf Company recorded February 9, 1996, at Reception No. DC9607049.

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