

**MASTER DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
CASTLE PINES NORTH**

**MASTER DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR CASTLE PINES NORTH**

Index

ARTICLE I STATEMENT of PURPOSE and IMPOSITION OF COVENANTS	1
Section 1.1. Statement of Purpose	1
Section 1.2. Declarant's Intent	2
Section 1.3. Expansion	2
ARTICLE II DEFINITIONS	2
ARTICLE III EXPANSION	10
Section 3.1. First Subdivision Made Subject to Declaration	10
Section 3.2. Reservation of Right to Expand	10
Section 3.3. Declaration of Annexation	10
Section 3.4. FHA/VA Approval of Annexations	11
Section 3.5. Incorporation of Expansion Master Association Properties	11
Section 3.6. Incorporation of Adjoining Lands	11
ARTICLE IV MASTER ASSOCIATION OPERATIONS	11
Section 4.1. Master Association	11
Section 4.2. Board of Directors	11
Section 4.3. Membership in Master Association	12
Section 4.4. Establishment of Delegate Districts	12
Section 4.5. Voting Rights of Owners	13
Section 4.6. Voting Rights of Delegates	15
Section 4.7. Membership of Board of Directors	16
ARTICLE V DUTIES AND POWERS OF MASTER ASSOCIATION	17
Section 5.1. General Duties and Powers of Master Association	17
Section 5.2. Dedication of Common Area	17
Section 5.3. Duty to Accept Master Association Properties and Facilities Transferred by Declarant	17
Section 5.4. Common Area	18
Section 5.5. Duty to Maintain Common Area	18
Section 5.6. Duty to Maintain Hazard Insurance	18
Section 5.7. Duty to Maintain Liability Insurance	19
Section 5.8. Duty to Maintain Fidelity Insurance	20
Section 5.9. Duty to Maintain Flood Insurance	20
Section 5.10. Insurance and Bonds Required by Government Mortgage Agencies	20
Section 5.11. Provisions Common to Hazard Insurance. Liability Insurance, and Fidelity Insurance	20

index, Continued

Section 5.12. Duty to Maintain Officers' and Directors' Personal Liability Insurance	22
Section 5.13. Duty to Maintain Workmen's Compensation Insurance	22
Section 5.14. Other Insurance	22
Section 5.15. Power to Adopt Rules and Regulations	22
Section 5.16. Cooperation with Metropolitan District	23
Section 5.17. Assist Design Review Committee	23
Section 5.18. Cooperation with Delegate District Master Associations	24
Section 5.19. Manager	24
Section 5.20. Ownership of Personal Property and Real Property for Common Use	24
Section 5.21. Roads and Streets	24
Section 5.22. Books and Records	25
Section 5.23. Successor to Declarant	25
Section 5.24. Working Capital Account	25
Section 5.25. Implied Rights and Obligations	25
Section 5.26. Castle Pines Homes Association, Inc.	26
ARTICLE VI MASTER ASSOCIATION PROPERTIES	26
Section 6.1. Owners: Easements of Enjoyment	26
Section 6.2. Delegation of Use	26
Section 6.3. Owner's Negligence	26
Section 6.4. Recorded Easements	26
Section 6.5. Easements for Encroachments	27
Section 6.6. Utility Easements	27
Section 6.7. Emergency Easement	28
Section 6.8. Partition or Combination of Privately Owned Sites	28
Section 6.9. Title to Common Area on Dissolution of Master Association	28
Section 6.10. Master Association as Attorney in Fact	29
Section 6.11. Estimate of Damages or Destruction	29
Section 6.12. Repair and Reconstruction	29
Section 6.13. Funds for Repair and Reconstruction	29
Section 6.14. Disbursement of Funds for Repair and Reconstruction	30
Section 6.15. Decision Not to Rebuild	30
Section 6.16. Damage or Destruction on Privately Owned Sites	30
Section 6.17. Rights of Owners	31
Section 6.18. Partial Condemnation, Distribution of Award; Reconstruction	31

index, Continued

Section 6.19. Complete Condemnation	31
ARTICLE VII DECLARANT'S RIGHTS AND RESERVATIONS	31
Section 7.1. Period of Declarant's Rights and Reservations	31
Section 7.2. Declarant's Rights to Use Master Association Properties in Promotion and Marketing of Master Association Area	32
Section 7.3. Declarant's Rights to Complete Development	32
Section 7.4. Declarant's Approval of Conveyances or Chances in Use of Master Association Properties	33
Section 7.5. Limitations Imposed by Government Mortgage Agencies	33
Section 7.6. Reservation for Expansion	33
Section 7.7. Reservation of Easements, Exceptions, and Exclusions	33
Section 7.8. Maintenance Easement	34
Section 7.9. Drainage Easement	34
Section 7.10. Golf Course Easements	35
Section 7.11. Irrigation	35
Section 7.12. Declarant's Rights Incident to Construction	35
Section 7.13. Easements Deemed Created	36
ARTICLE VIII COVENANT FOR MAINTENANCE ASSESSMENTS	36
Section 8.1. Creation of the Lien and Personal Obligation for Assessments	36
Section 8.2. Purpose of Assessments	37
Section 8.3. Calculation and Apportionment of Annual Assessments	37
Section 8.4. Basis and Maximum Annual Assessment	37
Section 8.5. Special Assessments	38
Section 8.6. Uniform Rate of Assessment	38
Section 8.7. Date of Commencement of Annual Assessments: Due Dates	39
Section 8.8. Default Assessments	39
Section 8.9. Effect of Nonpayment of Assessment: Lien: Remedies of Master Association	40
Section 8.10. Successor's Liability for Assessment	41
Section 8.11. Subordination of the Lien	41

index, Continued

Section 8.12. Notice of Action	42
Section 8.13. Exempt Master Association Properties	42
Section 8.14. Statement of Status of Assessments	43
Section 8.15. Failure to Assess	43
ARTICLE IX MASTER ASSOCIATION PROPERTIES USE RESTRICTIONS	43
Section 9.1. General Restriction	43
Section 9.2. Maintenance of Privately Owned Sites and Units	43
Section 9.3. Compliance With Insurance Requirements	44
Section 9.4. Motorized Vehicles	44
Section 9.5. Excavation	45
Section 9.6. Electrical and Telephone Service	45
Section 9.7. Water and Sanitation	45
Section 9.8. Wells	45
Section 9.9. Signs	45
Section 9.10. Animals and Pets	45
Section 9.11. Drainage	46
Section 9.12. Trash	46
Section 9.13. Construction Regulations of the Design Guidelines	46
Section 9.14. Blasting	46
Section 9.15. Temporary Structures	47
Section 9.16. Compliance With Laws	47
Section 9.17. No Outside Clotheslines	47
Section 9.18. Parking and Auto Repair	47
Section 9.19. Abandoned, Inoperable, or Oversized Vehicles	47
Section 9.20. Antenna	47
Section 9.21. Outside Burning	47
Section 9.22. Annoying Lights, Sounds, or Odors	48
Section 9.23. Obstructions	48
Section 9.24. Camping and Picnicking	48
Section 9.25. House Numbers	48
Section 9.26. Continuity of Construction	48
Section 9.27. Nuisance	49
Section 9.28. General Practices Prohibited	49
Section 9.29. Declarant's Use	49
Section 9.30. Recreational Facilities - Covenants not to Apply	50
Section 9.31. Leasing	50

index, Continued

ARTICLE X DESIGN REVIEW COMMITTEE	50
Section 10.1. Membership	50
Section 10.2. Purpose	50
Section 10.3. Organization and Operation of Committee	51
Section 10.4. Expenses	52
Section 10.5. Design Guidelines and Rules	52
Section 10.6. Limitation of Liability	52
Section 10.7. Certificate of Compliance	53
Section 10.8. Required Approval by Any Subassociation Architectural Committee	53
Section 10.9. General	53
Section 10.10. Approval Required	54
Section 10.11. Deemed Nuisances	54
Section 10.12. Removal of Nonconforming Improvements	54
Section 10.13. Development by Declarant	54
ARTICLE XI MISCELLANEOUS	54
Section 11.1. Term	54
Section 11.2. Amendment	55
Section 11.3. Notice of Amendment	55
Section 11.4. Effective on Recording	55
Section 11.5. Revocation	55
Section 11.6. Compliance with Documents	55
Section 11.7. Mortgagee' Rights	55
Section 11.8. Notices of Action	56
Section 11.9. Other Provisions for the Benefit of Eligible Holders	56
Section 11.10. Amendments to Documents	57
Section 11.11. FHLMC Approval Requirements	58
Section 11.12. FHA/VA Approval	59
Section 11.13. First Mortgagees May Pay Common Area Charges	59
Section 11.14. Violations Deemed a Nuisance	59
Section 11.15. Compliance	59
Section 11.16. Failure to Comply	59
Section 11.17. Enforcement	60
Section 11.18. Remedies	60
Section 11.19. Nonexclusive Remedies	60
Section 11.20. No Liability	60
Section 11.21. Recovery of Costs	60
Section 11.22. Resolution of Disputes	60
Section 11.23. Severability	61
Section 11.24. Construction	61
Section 11.25. Headings	61

index, Continued

Section 11.26. Registration of Mailing Address	61
Section 11.27. Notice	61
Section 11.28. Waiver	61
Section 11.29. Limitation of Liability	61
Section 11.30. Conflicts Between Documents	62
Section 11.31. Assignment	62

MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR CASTLE PINES NORTH

THIS MASTER DECLARATION is made on the 18th day of October, 1984, by CASTLE PINES LAND COMPANY, a Colorado joint venture, hereinafter referred to as the 'Declarant.'

Declarant is the owner of all of certain real property located in Douglas County, Colorado, more particularly described on Exhibit A attached hereto (the "Master Association Properties," which term shall include all real property submitted to this Declaration from time to time), and hereby makes this Master Declaration of Covenants, Conditions, Restrictions and Easements for Castle Pines North ("Declaration") in order to create an integrated and planned community of mixed residential, recreational, and commercial uses ("Castle Pines North").

Declarant, and/or its successors or assigns, intends to develop the above-described property, or selected portions thereof, as a planned community accommodating a mix of residential, recreational, commercial and other land uses,

Declarant hereby declares that all the property described in attached Exhibit "A", and upon any subsequent properties annexed hereto in accordance with the provisions of this Declaration, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and any such subsequently annexed properties and shall be binding upon, and inure to the benefit of, all parties having any right, title or interest in the described property or any part thereof, and their heirs, personal and legal representatives; successors and assigns; and Declarant hereby declares that all of much property and properties shall hereafter be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to the following provisions.

ARTICLE I

STATEMENT of PURPOSE and IMPOSITION OF COVENANTS

Section 1.1. Statement of Purpose: These Covenants are imposed for the benefit of all owners and future owners of parcels of land located within the Master Association Properties. The Covenants create specific rights and privileges which may be shared and enjoyed

by all owners and occupants of any part of the Master Association Properties.

Section 1.2. Declarant's Intent: Declarant desires to ensure the attractiveness of the individual lots and parcels and facilities developed within the Master Association Properties to prevent any future impairment thereof; and to preserve, protect, and enhance the values and amenities of the Master Association Properties. It is the intent of Declarant to guard against the erection on the Master Association Properties of improvements or structures built of improper or unsuitable materials or with improper quality or methods of construction. Declarant intends to encourage the erection of attractive permanent improvements appropriately located to preserve a harmonious appearance and function and to encourage the development of advanced technological, architectural, and engineering design for the harmonious development of the Master Association Properties. Declarant desires and intends to develop a quality project on the Master Association Properties (and on other parcels which may be subsequently subjected hereto) residential facilities of all types, a school site, and recreational facilities and amenities.

Section 1.3. Expansion: Certain additional parcels of land (the "Expansion Master Association Properties") have been planned for development in Castle Pines North but are not included in the description of the Master Association Properties. Declarant specifically reserves the right, but shall be under no obligation, to bring such Expansion Master Association Properties within the scheme of these Covenants by recording a Declaration of Annexation to submit said property to this Declaration, Such Declaration of Annexation may impose a series of restrictions and covenants to preserve the natural amenities of the Master Association Properties, to assure architectural harmony of the improvements, and to preserve the environmental values inherent in the Master Association Properties. Owners of lands adjoining the Master Association Properties, as it may be expanded from time to time ("Adjoining Lands"), shall also have the right to annex such lands to the Master Association Properties and submit such lands to the Declaration after obtaining the prior written approval of Declarant.

ARTICLE II

DEFINITIONS

The following terms and words, as used herein, are defined as follows:

Section 2.1. "Adjoining Land(s)" shall mean land contiguous with the Master Association Properties or the Expansion Master Association Properties, whether or not owned by Declarant,

which is or may be made subject hereto as provided in Article III hereof.

Section 2.2. "Annexation" shall mean the process by which portions of the Expansion Master Association Properties or Adjoining Lands are made subject hereto pursuant to Article III hereof.

Section 2.3. "Appointment Period" shall mean as defined in Section 4.7 hereof.

Section 2.4. "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Master Association which are filed with the Secretary of State to create the Master Association.

Section 2.5. "Assessments" shall mean annual, special, and default Assessments levied pursuant to Article VIII hereof to provide the funds to meet the estimated cash requirements of the Master Association.

Section 2.6. "Board of Directors" or "Board" shall mean the Board of Directors of the Master Association, which is the governing body of the Master Association.

Section 2.7. "Building" shall mean a building or structure constructed on a Privately Owned Site within a Delegate District or on the Common Area.

Section 2.8. "Bylaws" shall mean the Bylaws of the Master Association which establish the methods and procedures of its operation.

Section 2.9. "Castle Pines North" shall mean the planned community created by this Declaration consisting of the Master Association Properties and all of the Improvements located thereon.

2.9.1. "Castle Pines" shall mean that certain planned community in Douglas County, Colorado by that name.

Section 2.10. "Castle Pines Homes Association, Inc." is the Colorado nonprofit corporation created to perform certain duties and obligations pursuant to the Declaration and Agreement Creating Covenants, Conditions, Restrictions and Easements dated May 19, 1981, which governs Castle Pines.

Section 2.11. "Castle Pines North Documents" shall mean the basic documents creating and governing Castle Pines North, including this Declaration, the Articles of Incorporation and Bylaws of the Master Association, the Design Guidelines, and any procedures,

rules, regulations or policies adopted thereunder by the Master Association or the Design Review Committee.

Section 2.12. "Castle Pines Worth Metropolitan District" or "District" is the quasi-municipality formed pursuant to Title 32, Colorado Revised Statutes (1973), as evidenced by Order of Court, dated June 15, 1984, creating such district, which is formed for the purpose of constructing, maintaining, and operating certain common facilities for designated real property which includes the Master Association Properties.

Section 2.13. "Castle Pines North Rules" shall mean the rules adopted by the Master Association as provided in section 5.1.5.

Section 2.14. "Common Area" shall mean all real property in which the Master Association or a Subassociation owns an interest for the common use and enjoyment of all of the Members. Such interest may include, without limitation, estates in fee, for a term of years, or easements.

Section 2.15. "Condominium Map" or "Map" shall mean any condominium map filed pursuant to Colorado Revised Statutes (1973), Sections 38-33-101, et seq., to create a condominium project on any portion of the Master Association Properties.

Section 2.16. "Condominium Unit" or "Unit" shall mean a condominium unit within a Delegate District, as defined in Colorado Revised Statutes (1973), Sections 38-33-101, et seq., as the same may be amended.

Section 2.17. "Declarant" shall mean Castle Pines Land Company, a Colorado joint venture, and its successors or assigns. A person or entity shall be deemed a "successor and assign" of Declarant only if specifically so designated in a duly recorded written instrument as a successor or assign of Declarant under this Declaration and/or under a Supplemental Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights of interests of Declarant under this Declaration or under such Supplemental Declaration which are specifically designated in the recorded written instrument.

Section 2.18. "Delegate" shall mean the natural Person selected by Owners within a Delegate District pursuant to Section 4.6 hereof to represent such Delegate District and to cast votes on behalf of Owners within such Delegate District as provided in this Declaration.

Section 2.19. "Delegate District" shall mean a geographical area which may constitute any portion or portions of the Master Association Area and from which all Owners in that Delegate

District shall elect a single Delegate to represent their collective voting power, as further provided in Article IV hereof.

A Delegate District shall consist of separately designated and developed areas constructed upon a portion of the Master Association Properties comprised of discrete types of development or use, including without limitation the following types of uses:

2.19.1. A condominium project;

2.19.2. An apartment or residential rental building or group of buildings;

2.19.3. A residential development of single-family detached houses;

2.19.4. A residential development of townhomes or zero-lot-line homes for single-family use; or

2.19.5. Any other separately developed area within Castle Pines North devoted to a discrete purpose.

Any such Delegate District shall be designated as such in the Plat Map or Condominium Map for the Delegate District parcel and in the Supplemental Declaration for the Delegate District.

Section 2.20. "Delegate District Assessment" shall mean Assessments levied pursuant to a specific Supplemental Declaration for a Delegate District.

Section 2.21. "Design Guidelines" or "Castle Pines North Design Guidelines" shall mean those guidelines and rules published from time to time by the Committee.

Section 2.22. "Design Review Committee" or "Committee" shall mean the committee formed pursuant to Article X hereof to maintain the quality and architectural harmony of Improvements in Castle Pines North.

Section 2.23. Expansion Master Association Properties" shall mean such additional real property owned by Declarant as Declarant shall declare to be subject to the provisions hereof by duly recorded Declaration of Annexation, which is more particularly described on Exhibit B attached hereto.

Section 2.24. "FHA" means 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 FM in insuring notes secured by Mortgages or Deeds of Trust on residential real estate.

Section 2.25. "FHLMC" means 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.

Section 2.26. "First Subdivision" means all of the real property described in Exhibit A attached hereto.

Section 2.27. "FNMA" means Federal National Mortgage Master Association a government-sponsored private corporation established as such pursuant to Title VIII of the Housing and Urban Development Act of 1968, including any successor thereto.

Section 2.28. "GNMA" means the Government National Mortgage Association administered by the United State Department of Housing and Urban Development.

Section 2.29. "Golf Course" shall mean that certain facility operated by Declarant not located within Castle Pines North and other property south of Castle Pines North, including any clubhouse and related facilities such as parking lots, swimming pool and tennis courts, and other health or recreational facilities. The Golf Course shall be owned by Declarant or its assigns, and shall not be subject to this Declaration or the Castle Pines North Documents, and therefore, is not Common Area.

Section 2.30. "Government Mortgage Agencies" shall mean the FHA, the FELMC, the FNMA, the GNMA and the VA, and any similar entity, public or private, authorized, approved or sponsored by any governmental agency to insure, guarantee, make or purchase Mortgage loans.

Section 2.31. "Improvement" shall mean all Buildings and structures, parking areas, loading areas, fences, walls, hedges, plantings, poles, driveways, ponds, lakes, recreational facilities, signs, changes in any exterior color or shape, excavation and all other site work including without limitation grading, road construction, utility improvements, removal of 'trees or plantings and so forth, and any new exterior construction or exterior improvement which may not be included in the foregoing. Improvement does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearances. 'Improvement' does include both original improvements and all later changes and improvements.

Section 2.32. "Maintenance Fund" shall mean the fund created by Assessments and fees levied pursuant to Article VIII hereof to provide the Master Association with the funds it requires to carry out its duties hereunder.

Section 2.33. "Manager" shall mean such person or entity retained by the Master Association to perform certain functions of the Master Association pursuant to this Declaration.

Section 2.34. "Master Association" shall mean the Castle Pines North Association, Inc., a Colorado nonprofit corporation, or any successor thereof by whatever name, charged with the duties and obligations hereinafter set forth.

Section 2.35. Master Association Area shall mean the First Subdivision, together with any real property which hereafter becomes subject to this Declaration pursuant to the provisions of Article III hereof.

Section 2.36. Master Association Properties shall mean all real and personal property, including Improvements, 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, held for the common use and enjoyment of all or certain of the Owners as provided herein and/or for other purposes as may be permitted by this Declaration.

Section 2.37. "Member" shall mean any person or entity holding membership in the Master Association.

Section 2.38. "Mortgage" shall mean any mortgage, deed of trust, or other document pledging a Privately Owned Site or interest therein as security for the payment of a debt or obligation. "Mortgage" shall also mean any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is identified as the seller, whether such contract is recorded or not, and whether such contract is owned by the said Administrator or has been assigned by the said Administrator and is owned by the Administrator's assignee or by a remote assignee, and whether or not the land records in the office of the Clerk and Recorder of the County of Douglas, State of Colorado, show the said Administrator as having the record title to the Privately Owned Site. First Mortgage means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 2.39. "Mortgagee" shall mean a beneficiary of a Mortgage as well as a named mortgagee. "First Mortgagee means any person named as a Mortgagee under a Mortgage, or any successor to the interest of any such person under a Mortgage, which Mortgage is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 2.40. "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any

Privately Owned Site, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or other proceeding.

Section 2.41. "Plat" shall mean any plat maps filed in the office of the Clerk and Recorder for Douglas County, Colorado, as they may be amended from time to time, affecting the Master Association Properties.

Section 2.42. "Privately Owned Site" or "Site" shall interchangeably mean any Condominium or any lot or parcel of land within the Master Association Area which is shown upon any Recorded plat map or condominium 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. The Supplemental Declaration for any portion of the Expansion Property made subject to this Declaration pursuant to the provisions of Article III hereof, may provide for the combining, or separation, of any such Condominium, lot or parcel of land into one (1) or more Privately Owned Sites. "Privately Owned Site" or "Site" shall interchangeably include, without limitation, any lot or parcel developed as rental apartments containing one (1) or more apartment buildings, but shall not include: (a) any property owned by a public body, (b) the Master Association Properties, or (c) any Common Area.

Section 2.43. "Recreational Facilities" shall mean the recreational facilities or amenities owned by Declarant and located on the Master Association Properties from time to time including, but not limited to the tennis courts and swimming pools (other than courts and pools associated with the Golf Course), and parking for all of said facilities, and specifically excluding the Golf Course which is not located within the Master Association Properties and is not Common Area.

Section 2.44. "Related User" shall mean a person who obtains all or certain rights of an Owner by reason of such person claiming or being entitled to such rights by, through or under such Owner. Without limiting the generality of the foregoing, "Related user" shall include any occupant, tenant, family member or contract purchaser of an Owner who resides in the Privately Owned Site of such Owner and any natural person who is a guest or invitee of such Owner or of such person.

Section 2.45. "Residential Site" means any Privately Owned Site designated for single-family or multi-family residential dwelling or residential apartment rental purposes.

Section 2.46. "School Site" shall mean that portion of the Master Association Properties designated as a school site and described as such on subsequent Plats of portions of the Master Association Properties. The School Site shall be dedicated to Douglas County for public use, and shall not be Common Area.

Section 2.47. "SubAssociation" shall mean any Colorado profit or nonprofit corporation, or unincorporated association, and its successors and assigns, organized and established or authorized pursuant to, or in connection with, one (1) or more Supplemental Declarations and of which the membership is composed of Owners of Privately Owned Sites within all or part of the area burdened by the Supplemental Declarations.

Section 2.48. "Subassociation Common Area" shall mean the area within a Delegate District restricted in whole or in part to common use primarily by or for the benefit of the owners of Privately Owned Sites within the Delegate District, and their family, tenants, employees, guests, and invitees.

Section 2.49. "Subassociation Documents" shall mean the basic documents creating and governing a particular Delegate District, including the Supplemental Declaration, the Articles of Association and Bylaws of the Subassociation, and any procedures, rules, regulations or policies adopted thereunder by the Subassociation.

Section 2.50. "Supplemental Declaration" shall mean a written instrument containing covenants, conditions, restrictions, reservations, easements, equitable servitudes or other provisions, or any combination thereof, which is recorded for the First Subdivision or is recorded for any Delegate District or of any portion of the Expansion Property in accordance with the provisions of Article III hereof.

Section 2.51. "Unit" shall mean a residential condominium unit or a townhome unit in a multifamily building containing more than one residential dwelling unit.

Section 2.52. "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 or loans secured by Mortgages on Privately Owned Sites, including any successor thereto.

ARTICLE III

EXPANSION

Section 3.1. First Subdivision Made Subject to Declaration. Declarant hereby declares that the First Subdivision is hereby made subject to this Declaration. The First Subdivision shall be further subject to the provisions contained in the recorded Supplemental Declaration which is, or shall be, applicable thereto.

Section 3.2. Reservation of Right to Expand. Declarant reserves the right, but shall not be obligated, to expand Castle Pines North to include all or part of the Expansion Master Association Properties. Declarant shall have the unilateral right to transfer to any other person the right to expand which is herein reserved by an instrument duly recorded. The Declarant shall pay all taxes and other governmental Assessments relating to the Expansion Master Association Properties until expansion.

Section 3.3. Declaration of Annexation. Such expansion may be accomplished by recording a Declaration of Annexation in the records of the Clerk and Recorder of Douglas County, Colorado, before December 31, 1991, describing the real property to be annexed, submitting it to the covenants, conditions, and restrictions contained herein, designating it as a Delegate District, and providing for the readjustment of voting rights and Assessment allocations as provided herein. Such Declaration of Annexation shall not require the consent of Owners. Any such expansion shall be effective upon the filing for record of such Declaration of Annexation except as provided therein. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion. Upon the recordation of any such Declaration of Annexation, the definitions used in this Declaration shall be expanded automatically to encompass and refer to Castle Pines North as expanded. Such Declaration of Annexation may add, delete, or modify provisions of this Declaration as it applies to the property being annexed, provided, however, that this Declaration may not be modified with respect to the Master Association Properties already subject to the Declaration except as provided herein for amendment.

Section 3.4. FHA/VA Approval of Annexations. So long as the FHA or the VA is insuring or guaranteeing loans or has agreed to insure or guarantee loans on any portion of Castle Pines North, made with respect to the initial sales of Privately Owned Sites or Units, then it shall be a condition to such annexation by Declarant that the written approval of such annexation by the VA or the FHA must be obtained. Failure to obtain such written approval may result in the Expansion Master Association Properties located within such Annexation not being eligible for FHA and/or VA insured or guaranteed loans, but it shall not be deemed to preclude or be a waiver of the right

of Declarant to annex such Expansion Property or any subsequent Annexation.

Section 3.5. Incorporation of Expansion Master Association Properties. Real property which is not part of the Expansion Master Association Properties or Adjoining Lands may be incorporated into the Master Association Properties with the consent of two-thirds of each class of Members.

Section 3.6. Incorporation of Adjoining Lands. Any owner or owners of Adjoining Lands (other than Declarant) may apply to the Declarant (or to the Board of Directors of the Master Association after the termination of the Class B membership) to have said Adjoining Land made subject hereto or the Declarant may purchase Adjoining Lands and either subject such Adjoining Lands to the Castle Pines North regime as provided herein or seek the approval of a majority of the Board to do so after the termination of the Class B membership. Upon the written approval of the Declarant or a majority of the Board after termination of the Class B membership to the inclusion of such Adjoining Land within the Castle Pines North regime, the owner or owners thereof may make such land subject hereto by executing an instrument in writing which shall satisfy the requirements herein for a Declaration of Annexation subjecting such lands to this Declaration, which shall also be executed by the Declarant or the Board, as applicable, as evidence of their approval, and which shall be recorded in the records of the Clerk and Recorder of Douglas County, Colorado. Thereafter, such Adjoining Land shall be subject to this Declaration and this Declaration shall be expanded as provided herein for the Expansion Master Association Properties annexed to the Master Association Properties.

ARTICLE IV

MASTER ASSOCIATION OPERATIONS

Section 4.1. Master Association. The Master Association has been or will be formed as a Colorado corporation under the Colorado Nonprofit Corporation Act. The Master Association shall have the duties, powers and rights set forth in this Declaration and in the Articles of Incorporation and Bylaws.

Section 4.2. Board of Directors. The affairs of the Master Association shall be managed by a Board of Directors. Subject to the provisions of Section 4.7 hereof, the number, term, election and qualifications of the Board of Directors shall be fixed in the Articles of Incorporation and/or Bylaws. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to tribunals, to Managers, to officers of the Master Association or to agents and employees 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, Manager, agent or employee without a vote of Delegates, except as otherwise specifically provided in this Declaration.

Section 4.3. Membership in Master Association. Each Owner of a Privately Owned Site within the Master Association Area shall be a member of the Master Association. There shall be one membership in the Master Association for each Privately Owned Site within the Master Association Area. The person or persons who constitute the Owner of a Privately Owned Site shall automatically be the holder of the membership in the Master Association appurtenant to that Privately Owned Site, and such membership shall automatically pass with fee simple title to the Privately Owned Site. No Owner, whether one or more persons, shall have more than one membership per Site owned, but all of the persons owning each Site shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Site. Declarant shall hold a separate membership in the Master Association for each Privately Owned Site owned by Declarant. Membership in the Master Association shall not be assignable separate and apart from fee simple title to a Privately Owned Site, except that an Owner may assign some or all of such Owner's rights as an Owner to use Improvements or otherwise to a Related User or Mortgagee and may arrange for a Related User to perform some or all of such Owner's obligations as provided in this Declaration, but no Owner shall be permitted to relieve such Owner of the responsibility for fulfillment of all of the obligations of an Owner under this Declaration.

Section 4.4. Establishment of Delegate Districts. The Master Association Area shall be divided into Delegate Districts, and each Delegate District shall elect one Delegate to the Master Association to exercise the voting power of all the Owners in such Delegate District. If a Subassociation is created by the recordation of a Supplemental Declaration, then, unless otherwise provided for in such Supplemental Declaration, all of the Expansion Property within the jurisdiction of the Subassociation shall constitute a Delegate District. A Delegate District may consist of one or more Expansion Properties. A Subassociation may consist of one or more Expansion Properties and/or one or more Delegate Districts. In the event that there shall not be created a Subassociation for any portion of the Expansion Property, then the Delegate District or Districts for such Expansion Property shall be established by Declarant by the recordation of one or more Supplemental Declarations or other written instruments signed by Declarant. Such Supplemental Declarations or other instruments shall contain legal descriptions of the portions of the Expansion Property which shall be or become part of a Delegate District and a statement that such real property described therein

shall be or become part of a designated Delegate District for purposes of this Declaration.

Section 4.5. Voting Rights of Owners. Each Owner shall have the right to cast votes for the election of the Delegate to the Master Association to exercise the voting power of the Delegate District in which the Owner's Privately Owned Site is located. If such Delegate District is within the jurisdiction of a Subassociation, then, unless otherwise provided in the Supplemental Declaration for such Subassociation, the Owner shall have the same voting rights for the election of the Delegate from that Delegate District as are provided for the election of the board of directors of the Subassociation. If such Delegate District is not subject to the jurisdiction of a Subassociation, then there shall be two classes of Owners in such Delegate District: (a) Class A Owners; and (b) Class B Owners, as follows:

Class A: Class A Members shall be all Owners (with the exception of the Declarant) in such Delegate District, and each Class A Member (except a Class A Member owning a Residential Site improved or designed to be improved with residential rental apartments) shall be entitled to one vote for each Privately Owned Site owned by such Class A Member within the Delegate District. There shall be only one vote per Privately Owned Site. The Owner of a Delegate District shall be entitled to the number of votes equal to the number of Privately Owned Sites which can be created within the Delegate District as set forth in the Declaration of Annexation or in the deed from Declarant to the Owner. The votes of the Owner shall be decreased to the number of Privately Owned Sites, created within the Delegate District. When more than one person holds an interest in any Privately Owned Site, all such persons shall be Members. The vote for such Privately Owned Site shall be exercised as they among themselves determine, and the Secretary of the Master Association shall be notified of such designation prior to any meeting. In the absence of such advice, the Privately Owned Site's vote shall be suspended in the event more than one person or entity seeks to exercise it. Any Owner of a Privately Owned Site which is leased may assign the voting right appurtenant to such Privately Owned Site to the tenant, provided that a copy of the instrument of assignment is furnished to the Secretary of the Master Association prior to any meeting.

Class B: The Declarant and/or its successors and assigns (as defined in Section 2.16) shall be the sole Class B matters in such Delegate District which is not subject to the jurisdiction of a Subassociation. Class B Members shall be entitled to three votes for each Privately Owned Site (except a Site improved or designed to be improved with residential rental apartments) existing within the Delegate District which such

Class B Member owns, or which can be created within the Delegate District as set forth in the Declaration of Annexation or in the deed to Declarant and/or its successors and assigns. The number of votes of the Class B Member shall be decreased to the number of Privately Owned Sites, if any, created by that Class B Member within the Delegate District.

A Residential Site improved or designed to be improved with residential rental apartments shall, in all cases, be entitled to one vote for every five apartment units located or to be located on such Residential Site, with a full vote assigned for any extra one to four apartments in lieu of assigning any fractional voter provided, however, the votes appurtenant to the Residential Sites improved or designed to be improved with residential rental apartments in a particular Delegate District may not account for more than 49 percent of the total votes in such Delegate District unless such Residential Sites account for 80 percent or more of the votes in such Delegate District. In the event of a condominium conversion or other similar modification of rental apartments to individually owned single-family or multi-family residences, each individually owned single-family or multi-family residence shall become a separate Privately Owned Site and shall be entitled to cast one vote for such Privately Owned Site. Notwithstanding the foregoing, if allowed by a Supplemental Declaration, any two or more adjacent Privately Owned Sites in the Expansion Property annexed by such Supplemental Declaration may be combined into one combined Privately Owned Site and shall be entitled to only one vote for such combined Sites if, and only so long as: (a) all of such Sites are owned by the same Owner; and (b) there is only one residential dwelling unit located on such combined Sites.

As to any such Delegate District without a Subassociation, the Class B membership shall terminate as to that Delegate District only and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

4.5.1. when the total votes outstanding in the Class A membership for that Delegate District equal or become greater than the total votes outstanding in the Class B memberships composed of all of the Class B Owners for that Delegate Districts

4.5.2. seven years from the date of recordation of the Supplemental Declaration or other written instrument creating that Delegate District; or

4.5.3. if there has been no preparation of land surfaces, installation of roads or utilities or construction of Improvements within such Delegate District for a continuous period of six months.

The Delegate to represent any Delegate District without a Subassociation shall be elected by Owners holding a majority of the voting power in such Delegate District. The bylaws shall provide for the manner, time, place, conduct and voting procedures for meetings of Owners for the purpose of electing a Delegate in any such Delegate District. Notwithstanding the foregoing, if, before December 31, 1991, additional Privately Owned Sites or Delegate District parcels with dwelling units allocated thereto are annexed to the Master Association Properties pursuant to Article III hereof there shall be created a Class B membership for the additional annexed privately Owned Sites or Delegate District. From and after the termination of all of the Delegate Districts' Class B memberships, the Declarant and any designated successor shall be entitled to one vote for each Privately Owned Site or Delegate District Parcel owned. At such time, the Declarant shall call a meeting of Owners, as provided by the Bylaws for special meetings, to advise the membership of the termination of Class B status and to transfer control of the Master Association to the Owners.

Section 4.6. Voting Rights of Delegates. Each Delegate shall cast one vote for each Privately Owned Site which is owned by a Class A Owner and which is subject to this Declaration and located in the Delegate District represented by such Delegate and shall cast three votes for each Privately Owned Site which is owned by a Class B Owner and which is subject to this Declaration and located in the Delegate District represented by such Delegate: provided, however, that in the case of combined Privately Owned Sites, the Delegate shall have the number of votes assigned to such combined Privately Owned Site pursuant to Section 4.5 hereof. At such meeting of Delegates, each Delegate shall cast the votes which the Delegate represents in such manner as such Delegate may, in the Delegate's sole and reasonable discretion, deem appropriate, acting on behalf of all the Owners owning Privately Owned Sites in such Delegate's Delegate District; provided, however, that in the event that at least five percent of the voting power in attendance at any duly constituted meeting of the Owners in such Delegate District shall instruct their Delegate as to the manner in which such Delegate is to vote on any issue to be voted on by the Delegates, then the Delegate representing such Delegate District shall cast all of the voting power in such Delegate District in the same proportion, as nearly as possible without counting fractional votes, as the Owners in such Delegate District shall have, in person or by proxy, cast their voting power in favor of and in opposition to such issue. A Delegate shall have the authority, in the Delegate's sole discretion, to call a special meeting of the Owners in such Delegate's Delegate District in the manner provided in the Bylaws for the purpose of obtaining instructions as to the manner in which such Delegate is to vote on any issue to be voted on by the Delegates. When a Delegate is voting in the Delegate's own discretion, without instruction from the Owners whom such Delegate represents, then such Delegate may cast all of the

votes which the Delegate represents as a unit or such Delegate may apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It shall be conclusively presumed for all purposes of Master Association business that any Delegate casting votes on behalf of the Owners in such Delegate's Delegate District will have acted with the authority and consent of all such Owners. All agreements and determinations lawfully made by the Master Association in accordance with the voting procedures established herein, and in the Bylaws, shall be deemed to be binding on all Owners and their successors and assigns.

Section 4.7. Membership of Board of Directors. During the Appointment Period, the Board of Directors shall consist of seven Directors, and Declarant shall have and hereby reserves the continuing right to appoint four of such Directors during such Appointment Period and the rest of the Owners (excluding Declarant) shall have the right to appoint three of such Directors during the Appointment Period. Notwithstanding the foregoing, until the first annual meeting of Delegates, the number of Directors shall be three and Declarant shall have the right to appoint all three of such Directors. The "Appointment Period" shall mean the period of time commencing as of the date of recordation of this Declaration and continuing until the earliest to occur of the following events: (a) such time as all Expansion Property has become part of the Master Association Area and the last Privately Owned Site within the Master Association Area has been sold and conveyed by Declarant to non-Declarant Owners; or (b) such date as Declarant shall voluntarily relinquish its right to appoint such four Directors and its right to appoint a majority of the members of the Design Review Committee in accordance with Section 10.3 hereof; or (c) December 31, 1999. In the event that Declarant voluntarily relinquishes its right to appoint Directors under this Section or the Bylaws before termination of the Appointment Period, the Declarant reserves the right of prior written approval of certain actions by the Board of Directors including, by way of illustration but not limitation, the following: (i) any action that increases the annual Assessment only on Declarant's property or imposes a special Assessment only on Declarant's property and (ii) any action that, in Declarant's opinion, impairs or restricts Declarant's ability to develop and market its property within Castle Pines North or the operation of the Golf Course and commercial projects developed by Declarant or its assigns which are adjacent to Castle Pines North.

ARTICLE V

DUTIES AND POWERS OF MASTER ASSOCIATION

Section 5.1. General Duties and Powers of Master Association. The Master Association has been formed to further the common interests of the Owners. The Master Association, acting through the Board or through 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 Owners, to maintain, improve and enhance Master Association Properties and to improve and enhance the attractiveness, desirability and safety of the Master Association Area.

Section 5.2. Dedication of Common Area. The Declarant may hereafter deed certain areas of land to the Master Association as Common Area intended for common use by the Owners in Castle Pines North for purposes including location of signs for identification of the Master Association Properties and Recreational Facilities and other purposes. The designated areas are dedicated hereby to the common use and enjoyment of Owners, and their family, tenants, employees, guests and invitees, and not to the use of the general public.

Section 5.3. Duty to Accept Master Association Properties 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 duties associated therewith, provided that such property and duties are not inconsistent with the provisions contained in this Declaration. Property interests transferred to the Master Association by Declarant may include fee simple title, easements, leasehold interests and licenses to use; provided, however, that Declarant does not intend to lease any recreational facility to the Master Association. In the event that Declarant shall lease any recreational facility to the Master Association, such lease must be approved by the FHA or the VA and such lease must be terminable by the Master Association at any time, with or without cause and without payment of a termination fee, upon not more than 90 days' written notice. Any property or interest in property transferred to the Master Association by Declarant shall be within the boundaries of the area comprised of the First Subdivision and the Annexable Area. Any property or interest in property transferred to the Master Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Master Association free and clear of all liens and encumbrances (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the

terms of this Declaration, the terms of the Supplemental Declaration annexing the property to the Master Association Area, and easements, rights-of-way, reservations, covenants, conditions, restrictions and equitable servitudes or other encumbrances which do not materially affect the use and enjoyment of the property by the Master Association or by Owners. 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. The property or interest in property transferred to the Master Association by Declarant shall not impose any unreasonable or special burden on the Master Association other than the normal burdens of ownership of property.

Section 5.4. Common Area. The Master Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the management and control of the Common Area and all Improvements thereon (including furnishings and equipment related thereto), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair consistent with the requirements of a first-class residential, commercial and recreational community, pursuant to the terms and conditions hereof.

Section 5.5. Duty to Maintain Common Area. The Master Association shall maintain and keep the Common Area in good repair, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Area, and of the private streets within the Master Association Properties unless such maintenance is the responsibility of a Subassociation. The Master Association may, in the discretion of the Board, assume the maintenance responsibilities set out in any Supplemental Declaration for any Delegate District located on the Master Association Properties, after giving the responsible Subassociation reasonable notice and an opportunity to correct its deficient maintenance. In such event, all costs of such maintenance shall be assessed only against those Owners residing in the Delegate District to which the services are provided. The assumption of this responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the community-wide standard of Castle Pines North. The provision of services in accordance with this Section shall not constitute discrimination within a class.

Section 5.6. Duty to Maintain Hazard Insurance. The Master Association shall obtain insurance for all insurable improvements on the Common Area in an amount equal to the full

replacement value (i.e., 100 percent of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property, and other items normally excluded from coverage) of the Common Area which shall include all building service equipment and the like, common personal property and supplies, and any fixtures or equipment within the Common Area. Such policy shall include, if applicable, a standard form of mortgagee clause, a "Demolition Cost Endorsement" or its equivalent, an "Increased Cost of Construction Endorsement" or the equivalent and a "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent. In addition, such policy shall afford protection against at least the following:

5.6.1. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage;

5.6.2. In the event the Common Area contains a steam boiler, a broad form policy of repair, and replacement boiler and machinery insurance in the amount of at least \$100,000 per accident per location; and

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

Section 5.7. Duty to Maintain Liability Insurance. The Master Association shall obtain a comprehensive policy of public liability insurance insuring the Master Association and its Members for all liability for property damage, bodily injury, or death in connection with the operation, maintenance, or use of the Common Area or streets and roads within Castle Pines North, and legal liability arising out of lawsuits related to employment contracts of the Master Association. Such comprehensive policy of public liability insurance shall include a severability of Interest Endorsement" or equivalent coverage which would preclude the insurance company from denying the claim of any Owner because of the negligent acts of the Master Association or any other Owner, with a limit of not less than \$1,000,000 covering all claims for personal injury, including death, or property damage arising out of a single occurrence. Such comprehensive policy of public liability insurance shall also include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and, if applicable, elevator collision, garagekeeper's liability, host liquor liability, contractual and all-written contract insurance, employers' liability insurance, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use to Castle Pines North.

Section 5.8. Duty to Maintain Fidelity Insurance. The Master Association shall obtain fidelity bonds to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds of or administered by the Master Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds shall be required for the Manager and its officers, employees, and agents. Such fidelity coverage shall name the Master Association as an obligee and shall be written in an amount equal to at least 100 percent of the estimated annual operating expenses of Castle Pines North, including reserves. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 5.9. Duty to Maintain Flood Insurance. If Castle Pines North is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and for which flood insurance has been made available by the National Flood Insurance Program, a "blanket" policy of flood insurance must be maintained by the Master Association in the amount of 100 percent of the current replacement cost (as defined in Section 5.6 hereof) of all buildings and other insurable property on the Cannon Area or the maximum limit of coverage available for such property under the National Flood Insurance Act of 1968, as amended, whichever is less.

Section 5.10. Insurance and Bonds Required by Government Mortgage Agencies. The Master Association shall obtain and keep in full force and effect such insurance and bonds as may be required from time to time by Government Mortgage Agencies to the extent that any such Government Mortgage Agency holds, or has agreed to insure or to guarantee, any Mortgage on any Privately Owned Site within the Master Association Area, except to the extent such insurance or bond is not reasonably obtainable or has been waived in writing by such Government Mortgage Agency.

Section 5.11. Provisions Common to Hazard Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Master Association under the provisions of Sections 5.6, 5.7, and 5.8 hereof shall be subject to the following provisions and limitations:

5.11.1. The named insured under any such policies shall be the Master Association, as attorney-in-fact for the Owners, or its authorized representative, including any trustee with which the Master Association may enter into any Insurance Trust Agreement, or any successor trustee (each of which is sometimes referred to in this Section 5.11 as the Insurance Trustee) who shall have exclusive authority to negotiate losses under such policies.

5.11.2. In no event shall the insurance coverage obtained and maintained pursuant to such sections be brought into contribution with insurance purchased by the Owners, occupants, or their Mortgagees.

5.11.3. The policies shall provide that coverage shall not be prejudiced by (a) any act or neglect of the Owners when such act or neglect is not within the control of the Master Association or (b) by failure of the Master Association to comply with any warranty or condition with regard to any portion of Castle Pines North over which the Master Association has no control.

5.11.4. The policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any and all First Mortgagees and insured's named therein.

5.11.5. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Master Association and any Owner and their respective agents, employees, or tenants, and of any defenses based upon coinsurance or upon invalidity arising from the acts of the insured.

5.11.6. All policies of property insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Master Association (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Master Association may be a party or any requirement of law.

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

5.11.8. All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Douglas County, Colorado, area.

5.11.9. No policy may be cancelled, invalidated, or suspended on account of the conduct of any member of the Board

of Directors, officer, or employee of the Master Association or its duly authorized Manager without prior demand in writing delivered to the Master Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Master Association, its Manager, any Owner, or Mortgagee.

Section 5.12. Duty to Maintain Officers' and Directors' Personal Liability Insurance. To the extent obtainable at reasonable cost, appropriate officers' and directors' personal liability insurance shall be obtained by the Master Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Master Association.

Section 5.13. Duty to Maintain Workmen's Compensation Insurance. The Master Association shall obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 5.14. Other Insurance. The Master Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Master Association's responsibilities and duties.

Section 5.15. Power to Adopt Rules and Regulations. The Master Association, from time to time and subject to the provisions of the Delegate District Documents, may adopt, amend and repeal rules and regulations, to be known as the "Castle Pines North Rules," governing, among other things and without limitation:

5.15.1. The use of Common Areas;

5.15.2. The use of private roads;

5.15.3. Collection and disposal of garbage and trash;

5.15.4. The burning of open fires;

5.15.5. The maintenance of animals within Castle Pines North;

5.15.6. Parking restrictions and limitations;

5.15.7. The posting of maximum speeds for vehicular traffic and other traffic rules on private roads;

5.15.8. Establishment of times or other restrictions as to when commercial vehicles may be permitted to use any or all of the roads;

5.15.9. The type or types of vehicles (other than conventionally equipped passenger automobiles) and the times when any vehicle or motorized vehicle or device may be permitted to use the roads or any other area of the Master Association Properties; and

5.15.10. A schedule of fines for the infraction of the Castle Pines North Rules or the Delegate District Documents.

Notice of the adoption, amendment or repeal of any rule or regulation shall be given in writing to each Delegate and each Owner at the address for notices to Delegates and Owners as elsewhere provided in this Declaration or the Bylaws, and copies of the currently effective rules and regulations shall be made available to each Owner upon request and payment of the reasonable expense of copying the same. Each Owner shall comply with such rules and regulations and shall see that the Related Users of such Owners shall comply with such rules and regulations. In the event of any conflict between the rules and regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

Section 5.16. Cooperation with Metropolitan District. The Master Association, in cooperation with the Castle Pines North Metropolitan District, shall provide for the comprehensive control of and furnishing of services to the Master Association Properties. The Master Association shall in all respects cooperate with the District to enable both the Master Association and the District to most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time either the District or the Master Association may use the services of the other in the furtherance of its obligations and they may contract with each other to better provide for such cooperation. If either the Master Association or the District should fail or refuse to provide the services which it is obligated to provide under its respective formative documents for any reason, then the other, permitted by law and to the best of its ability, shall assume said obligation until such time as the entity primarily obligated is able to resume its functions, and may charge the other a reasonable fee for the provision of such services.

Section 5.17. Assist Design Review Committee. The Master Association shall in all respects cooperate with and assist the Design Review Committee in the complete attainment of the Committee's functions, and shall in all respects assist the Committee in the enforcement of its guidelines, rules, regulations and decisions.

Section 5.18. Cooperation with Delegate District Master Associations. The Board shall assist each Subassociation in the performance of their duties and obligations under their respective Supplemental Declarations and cooperate with each Subassociation so that the Master Association and each Subassociation can most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time either the Master Association or the Subassociation may use the services of the other in the furtherance of its obligations and they may contract with each other to better provide for such cooperation. The payment for such contract services or a variance in services provided may be reflected in an increased Assessment by the Master Association for the particular Delegate District or by an item in the Subassociation's budget which shall be collected through Delegate District Assessments and remitted to the Master Association. If a Subassociation fails, neglects, or is unable to perform a duty or obligation required by its respective Delegate District Documents, then the Master Association may, after reasonable notice and an opportunity to cure given to the Subassociation, perform such duties or obligations until such time as the Subassociation is able to resume such functions, and charge the Subassociation a reasonable fee for the performance of such functions.

Section 5.19. Manager. The Master Association may employ or contract for the services of a Manager, provided that no such employment shall be by a contract having a term of more than three years, and each such contract shall be subject to cancellation by the Master Association on 90 days or less prior notice without cause and without payment of a termination fee. The Manager shall not have the authority to make expenditures for additions or improvements chargeable against the Maintenance Fund except upon specific prior approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 5.20. Ownership of Personal Property and Real Property for Common Use. The Master Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Master Association, shall accept any real or personal property, leasehold, or other property interests within Castle Pines North conveyed to the Master Association by the Declarant.

Section 5.21. Roads and Streets. The Master Association shall be responsible for the maintenance of all private roads, if any, within Castle Pines North, including periodic maintenance of the surface and regular snow and trash removal, except such private drives as are located on Privately Owned Sites or private roads which

are the responsibility of a Subassociation to maintain. The Board shall cooperate with the applicable traffic and fire control officials and Subassociations, to post all public and private drives, roads and streets with traffic control, fire lane, and parking regulation signs.

Section 5.22. Books and Records. The Master Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and Mortgagees, current copies of the Castle Pines North Documents, and the books, records, and financial statements of the Master Association prepared pursuant to the Bylaws. The Master Association may charge a reasonable fee for copying such materials.

Section 5.23. Successor to Declarant. The Master Association shall succeed to all of the rights, duties and responsibilities of Declarant hereunder upon termination of all of the Class B memberships in accordance with Section 4.5. The Master Association shall not succeed to any rights of Declarant regarding any portion of the Expansion Master Association Properties which has not then been annexed to the Master Association Properties. The Master Association may delegate any of such rights, duties or responsibilities to the Design Review Committee or to any other committee or entity which it may choose to form.

Section 5.24. Working Capital Account. In order to provide the Master Association with adequate working capital, the Master Association shall receive upon the initial sale or lease of each Privately Owned Site a contribution equal to a quarterly installment of the estimated annual assessment at the time of the sale or lease. This payment to the Master Association shall only apply to the first sale or first lease by Declarant of each Privately Owned Site, and shall be collected and transferred to the Master Association at the time of closing of the sale of each Privately Owned Site. The payments of this fund will be maintained in a segregated account for the use and benefit of the Master Association. The Declarant shall pay to the Master Association the working capital contribution for each Privately Owned Site still owned by it at the time that the Class B membership is terminated if such contribution has not been previously made for the Privately Owned Site. This contribution shall be in addition to any quarterly installments of the annual assessment which may be due at the time of such sale or lease.

Section 5.25. Implied Rights and Obligations. The Master Association may exercise any other right or privilege given to it expressly by the Castle Pines North Documents, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. The Master Association shall perform all of the duties and obligations imposed on it expressly by the

Castle Pines North Documents and every other duty or obligation reasonably to be implied from the express provisions of the Castle Pines North Documents or reasonably necessary to perform the duties and obligations contained in the Castle Pines North Documents.

Section 5.26. Castle Pines Homes Association. Inc. The Master Association shall have the power to enter into cooperative agreements with the Castle Pines Homes Association, Inc. regarding matters of mutual interest including, but not limited to, maintenance, security, and reciprocal easements for ingress and egress.

ARTICLE VI

MASTER ASSOCIATION PROPERTIES

Section 6.1. Owners: Easements of Enjoyment. Every Owner shall have a nonexclusive easement for the use and enjoyment of the Common Area, if any, which shall be appurtenant to and shall pass with the title to every Privately Owned Site or Unit, subject to the easements set forth in this Article.

Section 6.2. Delegation of Use. Any Owner may delegate, in accordance with the Castle Pines North Documents, his right of enjoyment in the Common Area and facilities to his tenants, employees, family, guests or invitees.

Section 6.3. Owner's Negligence. In the event that the need for maintenance, repair, or replacement of the Common Area, or any portion thereof, is caused through or by the negligent or willful act or omission of any Owner, or by any member of an Owner's family, or by an Owner's guests or invitees, then the expenses, costs and fees incurred by the Master Association for such maintenance, repair, or replacement, in the amount for which the Owner or the Owner's family members, guests, or invitees are liable under Colorado law, shall be a personal obligation of such Owner; and, if not repaid to the Master Association within seven days after the Master Association gives notice to the Owner of the total amount, or of amounts due from time to time, then the sums due shall become a Default Assessment against the Owner's Privately Owned Site or unit and may be enforced in accordance with Section 8.8.

Section 6.4. Recorded Easements. The Master Association Properties, and all portions thereof, shall be subject to all easements shown on any recorded Flat affecting the Master Association Properties, or any portion thereof, and to any other easements of record or of use, which shall include without limitation, use for construction, installation and repair of utilities, maintenance, encroachment, drainage, and ingress and egress as of the date of recordation hereof.

Section 6.5. Easements for Encroachments. The Master Association Properties, and all portions thereof, shall be subject to an easement of up to three feet from the Privately Owned Site lines or Common Area boundaries for the actual extent of encroachments created by construction as designed or constructed by the Declarant or any Owner and for settling, shifting, and movement of any portion of the Master Association Properties, except that no such easement is created for an encroachment which is the result of willful conduct on the part of Declarant, an Owner, a tenant, the Master Association, or any other person or entity. A valid easement for said encroachments and for the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Delegate District. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of Improvements constructed on any Privately Owned Site or Unit, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvements on the Master Association Properties.

Section 6.6. Utility Easements. There is hereby created a general easement upon, across, over, in, and under the Master Association Properties for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electrical, cable television, and a master communications system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical and telephone services to install and maintain necessary equipment on the Master Association Properties and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits underground on the Privately Owned Sites and Common Area. No water, sewer, gas, telephone, electrical, cable television, or communications lines, systems, or facilities may be installed or relocated on the surface of the Master Association Properties unless approved by Declarant prior to termination of the Class B membership or thereafter as approved by the Design Review Committee. Such utilities temporarily may be installed above ground during construction, if approved by the Declarant or the Design Review Committee as stated above. Any utility company using the general easement created herein shall use its best efforts to install and maintain the utilities provided for herein without creating an unreasonable interference with the rights of the Owners, the Master Association, and the Declarant; shall prosecute its installation and maintenance activities as promptly and expeditiously as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement herein created request a specific easement by separate recordable document, either Declarant or the Master Association shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or wider any part or all of the Master Association Properties

without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Master Association Properties.

Section 6.7. Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Master Association Properties in the proper performance of their duties.

Section 6.8. Partition or Combination of Privately Owned Sites. No part of a Privately Owned Site may be partitioned or separated from any other part thereof except as provided herein. Whether partitioned, combined, or unchanged, each Privately Owned Site shall be conveyed, transferred, gifted, devised, bequeathed, encumbered, or otherwise disposed of, as the case may be, with all appurtenant rights and interests created by law or by this Declaration, including the Owner's membership in the Master Association and the right to use the Common Area, the appropriate adjustments to the voting rights as provided in Section 4.5 and liability for Assessments as established for such type of Privately Owned Site by the Board being made as applicable. The Common Area shall be owned by the Master Association and no Owner shall bring any action for partition or division of the Common Area. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived such Owner's rights to institute or maintain a partition action or any other action designed to cause a division of the Common Area, and this Section may be pleaded as a bar to any such action. Any Owner who shall institute or maintain any such action shall be liable to the Master Association, and hereby agrees to reimburse the Master Association for its costs, expenses, and reasonable attorneys' fees in defending any such action. A Privately Owned Site may be subdivided into two units or two or more Privately Owned Sites may be combined into one Privately Owned Site only with the written consent of Declarant (or of the Master Association after the termination of Class B membership) and full compliance with all county zoning and subdivision regulations, and Declarant's consent shall be conditioned upon payment by the Owner or Owners concerned of all expenses thereof, including legal and accounting fees. Any recorded instrument for partition or combination of Privately Owned Sites shall make adequate provision for the adjustment of voting rights and liability for payment of Assessments appurtenant to or imposed on such Privately Owned Sites.

Section 6.9. Title to Common Area on Dissolution of Master Association. In the event of the dissolution of the Master Association, other than incident to a merger or consolidation, the Common Areas shall, to the extent reasonably possible, be dedicated to an appropriate public or governmental agency or agencies, to be

used, in any such event, for the common benefit of Owners for similar purposes for which the Common Area was held by the Master Association. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

Section 6.10. Master Association as Attorney in Fact. Each and every Owner hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney in fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Common Area upon its damage or destruction as provided in this Article or a complete or partial taking as provided in this Article. Acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner shall constitute appointment of the attorney in fact as herein provided. As attorney in fact, the Master Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Master Association as attorney in fact.

Section 6.11. Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Area in Castle Pines North, the Master Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Common Area so damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

Section 6.12. Repair and Reconstruction. As soon as practical after obtaining estimates, the Master Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney in fact for the Owners, the Master Association may take any and all necessary or appropriate action to effect repair and reconstruction and no consent or other action by any Owner shall be necessary in connection therewith. Assessments of the Master Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 6.13. Funds for Repair and Reconstruction. The proceeds received by the Master Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Master Association may, pursuant to Section 8.5 hereof, levy,

assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners except as provided therein, a special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

Section 6.14. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Master Association and the amounts received from the special Assessments provided for in Section 8.5 hereof constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a special Assessment to the Master Association under Section 6.13 hereof, or, if no special Assessments were made, then in equal shares per Privately Owned Site, first to the Mortgagees and then to the Owners, as their interests appear.

Section 6.15. Decision Not to Rebuild. If 67 percent of the Owners (other than Declarant) and 67 percent of the First Mortgagees (based upon one vote for each Mortgage owned) of the Privately Owned Sites or Units agree in writing not to repair and reconstruct and no alternative improvements are authorized, then and in that event the Master Association Properties shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Master Association in a neat and attractive condition, and any remaining insurance proceeds shall be distributed in equal shares per Privately Owned Site first to the Mortgagees and then to the Owners, as their interests appear.

Section 6.16. Damage or Destruction on Privately Owned Sites. In the event of damage or destruction to the Improvements located on any of the Privately Owned Sites or Units, the Owner thereof shall promptly repair and restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within 180 days from the date of such damage or destruction, then the Master Association may, after notice and hearing as provided in the Bylaws, impose a fine of not less than \$50 per day on the Owner of the Privately Owned Site or Unit until repair and reconstruction is commenced or if repair and reconstruction is commenced but then abandoned for a period of more than 90 days, unless the Owner can prove to the satisfaction of the Master Association that such failure is due to circumstances beyond the Owner's control. Such fine shall be a default assessment and lien

against the Privately Owned Site or Unit as provided in Section 8.8 hereof.

Section 6.17. Rights of Owners. Whenever all or any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by the Board acting as attorney in fact for all Owners by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof but the Master Association shall act as attorney in fact for all Owners in the proceedings incident thereto, unless otherwise prohibited by law.

Section 6.18. Partial Condemnation, Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Master Association as Trustee for all Owners to be distributed as follows:

If the taking involves a portion of the Common Area on which Improvements have been constructed, then, unless within 60 days after such taking the Declarant and at least 67 percent of the Class A members of the Master Association shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors and the Design Review Committee. If such Improvements are to be repaired or restored, the above provisions in this Article hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Privately Owned Site first to the Mortgagees and then to the Owners, as their interests appear.

Section 6.19. Complete Condemnation. If all of Castle Pines North is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Area shall be distributed as provided in Section 6.18.

ARTICLE VII

DECLARANT'S RIGHTS AND RESERVATIONS

Section 7.1. Period of Declarant's Rights and Reservations. Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Master Association and the Master Association Properties. The rights

and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each recorded Supplemental Declaration, in each conveyance of property by Declarant to the Master Association and in each deed or other instrument by which any property within the Master Association Area is conveyed by Declarant, whether or not specifically stated therein. The rights, reservations and easements of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent', be modified, amended, rescinded or affected by any amendment of this Declaration, including any amendment of this Section. Declarant' s consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

Section 7.2. Declarant's Rights to Use Master Association Properties in Promotion and Marketing of Master Association Area. Declarant shall have and hereby reserves the right to the reasonable use of Master Association Properties and of services offered by the Master Association in connection with the development, construction, promotion, marketing, sale and leasing of properties within the boundaries of the area comprised of the First Subdivision and the Expansion Property. Without limiting the generality of the foregoing, Declarant may: (a) erect and maintain on any part of the Master Association Properties such signs, temporary buildings and other structures as Declarant may reasonably deem necessary or proper in connection with the development, construction, promotion, marketing, sale and leasing of real properties within such boundaries; (b) may use vehicles and equipment on Master Association Properties for developmental, construction and promotional purposes; (c) may permit prospective purchasers of properties within such boundaries, who are not Owners, to use or enter Master Association Properties and Recreational Facilities at reasonable times and in reasonable numbers; and (d) may refer to the Master Association and to the Master Association Properties and services offered by the Master Association and to facilities in Recreational Facilities in connection with the development, construction, promotion, marketing, sale and leasing of properties within such boundaries.

Section 7.3. Declarant's Rights to Complete Development. No provision of this Declaration shall be construed to prevent or limit Declarant's rights to complete the development, construction, promotion, marketing, sale and leasing of properties within the boundaries of the area comprised of the First Subdivision and the Expansion Property; to construct or alter Improvements on any property owned by Declarant within such boundaries; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Master Association within such boundaries; or to post signs incidental to the development, construction, promotion, marketing, sale and leasing of property within such boundaries. Nothing contained in this

Declaration shall limit the right of Declarant or require Declarant to obtain approval to: (a) excavate, cut, fill or grade any property owned by Declarant or to construct, alter, remodel, demolish or replace any Improvements on any Master Association Property or any property owned by Declarant; (b) use any structure on any Master Association Property or any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within such boundaries; or (c) require Declarant to seek or obtain the approval of the Design Review Committee or of the Master Association for any such activity or Improvement to Property by Declarant on any Master Association Property or any property owned by Declarant. Nothing in this Section shall limit or impair the reserved rights of Declarant as elsewhere provide in this Declaration.

Section 7.4. Declarant's Approval of Conveyances or Chances in Use of Master Association Properties. The Master Association shall not, without first obtaining the prior written consent of Declarant, 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 Owners.

Section 7.5. Limitations Imposed by Government Mortgage Agencies. The exercise of the rights of Declarant reserved in this Article VII shall be subject to such reasonable requirements and limitations as may be imposed by Government Mortgage Agencies or other governmental authorities having jurisdiction, including any requirements for consent or approval by such Government Mortgage Agencies or governmental authorities.

Section 7.6. Reservation for Expansion. Declarant hereby reserves to itself and for Owners of Privately Owned Sites or Units of all future phases of Castle Pines North a perpetual easement and right-of-way and access over, upon, and across the Master Association Properties for construction, utilities, drainage, ingress and egress, and for use of the Common Area. The location of said easements and rights-of-way may be made certain by the Declarant or the Master Association by recorded documents.

Section 7.7. Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Master Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions consistent with the ownership of Castle Pines North for the best interest of all the Owners and the Master Association, in order to serve all the

Owners within Castle Pines North as initially built and expanded. Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, and to create other reservations, exceptions, and exclusions convenient or necessary for the use and operation of any other property of the Declarant, as long as it does not hamper the enjoyment of Castle Pines North, as built or expanded, by the Owners. Declarant reserves to it and its successors and assigns the right of ingress and egress through streets, paths and walkways and for the purpose of construction, maintenance and operation of commercial areas located outside the Master Association Properties including, but not limited to, offices, shopping centers, resort complexes and for the purpose of installation and maintenance of utilities to serve those projects which are located on parcels of land not governed by this Declaration or the Castle Pines North Documents.

Section 7.8. Maintenance Easement. An easement is hereby reserved to the Declarant, and granted to the Master Association, and any Director or Manager, and their respective officers, agents, employees, and assigns upon, across, over, in, and under the Privately Owned Sites and a right to make such use of the Privately Owned Sites or Units as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Master Association is obligated or permitted to perform pursuant to the Castle Pines North Documents, including the right to enter upon any Privately Owned Site or Unit for the purpose of performing maintenance to the landscaping or the exterior of improvements to such Privately Owned Site as required by the Castle Pines North Documents. The Master Association shall not unreasonably interfere with the rights of the Owners in the use of this easement.

Section 7.9. Drainage Easement. An easement is hereby reserved to the Declarant and granted to the Master Association, its officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under any portion of the Master Association Properties for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Master Association Properties so as to improve the drainage of water on the Master Association Properties. Reasonable efforts shall be made to use this easement so as to disturb as little as possible the uses of the Owners, the Master Association and the Declarant, as applicable, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Declarant, or its officers, agents, employees, successors and assigns must inform and obtain the approval of the Board of Directors prior to undertaking such drainage work, which approval shall not be unreasonably withheld.

Section 7.10. Golf Course Easements. The Declarant hereby reserves for itself and for the benefit of the person or entity developing or owning the Golf Course, which is located outside Castle Pines North, the following described easements:

7.10.1. Golf Cart Path Easement. The Golf Cart Path Easements designated as such on a Plat or Plats of the Master Association Area which shall be used for golf cart paths, pedestrian walkways, maintenance and vehicle access, and unhindered access between said paths and the Golf Course. Nothing shall be placed or maintained in any Golf Cart Path Easement which shall interfere with utilization thereof as a playable part of the Golf Course.

7.10.2. Golf Course Easement. The Golf Course Easement designated as such on a Plat or Plats of the Master Association Area, which shall be developed as part of the Golf Course for purposes of landscaping or the placement of all Improvements. No Improvement shall be placed in a Golf Course Easement without the prior written consent of the holder of the Golf Course Easement.

Declarant reserves the right to grant or deed such easement rights to the person or entity developing the Golf Course and to impose such additional restrictions on the Golf Cart Path Easement and Golf Course Easement at that time and from time to time as may be reasonably required to effectuate the purposes of such easements. The reservation of the Golf Cart Path Easements and the Golf Course Easements is made for the benefit of Declarant, the developer of the Golf Course, the members and invited guests of any golf club associated with the Golf Course, and for associated maintenance and service personnel, for golf course and related recreational purposes.

Section 7.11. Irrigation. Irrigation ditches will be constructed by the Master Association and the District throughout the Master Association Properties for the maintenance of Golf Courses, parks, open spaces, and such other spaces and areas as the Declarant or Master Association may from time to time decide. Certain ditches will cross Privately Owned Sites within dedicated easements shown on the Plats. The Castle Pines North Metropolitan District and the Master Association are hereby granted the right to maintain these ditches within said easements and to enter upon Privately Owned Sites or Delegate District parcels as necessary to perform such maintenance.

Section 7.12. Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Common Area and the right to store materials thereon and to make such other use thereof as may be

reasonably necessary or incident to the construction of the initial. Improvements on the Privately Owned Sites or Delegate District, the Master Association Properties, the Expansion Master Association Properties, or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access to its Privately Owned Site by any Owner or such Owner's family, tenants, employees, guests, or invitees.

Section 7.13. Easements Deemed Created. All conveyances of Privately Owned Sites hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article VII, even though no specific reference to such easements or to this Article VII appears in the instrument for such conveyance.

ARTICLE VIII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 8.1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Privately Owned Site or Unit owned within the Master Association Properties, hereby covenants, and each Owner of any Privately Owned Site or Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed, is deemed to covenant and agree to pay to the Master Association: (1) annual Assessments or charges as provided herein for the purpose of funding the Maintenance Fund; and (2) special Assessments for capital improvements and other purposes as stated herein, such annual and special Assessments to be fixed, established, and collected from time to time as hereinafter provided; and (3) default Assessments which may be assessed against an Owner's Privately Owned Site or Unit pursuant to the Castle Pines North Documents for failure to perform an obligation under the Castle Pines North Documents or because the Master Association has incurred an expense on behalf of the Owner under the Castle Pines North Documents. The annual, special, and default Assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Privately Owned Site or Unit against which each such Assessment is made until paid. Each such Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Privately Owned Site or Unit at the time when the Assessment fell due. Assessments on Units shall be levied against each Unit, but each Subassociation is hereby designated as the Agent of each Owner of a condominium Unit or townhome within such Delegate District for receipt of notices of Assessment and the collection of Assessments and remittance to the Master Association.

Section 8.2. Purpose of Assessments. The Assessments levied by the Master Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of Castle Pines North and for the improvement and maintenance of the Common Area, including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement, and additions thereto, reserve accounts, the cost of labor, equipment, materials, management, and supervision, and the salary or fee of the Manager.

Section 8.3. Calculation and Apportionment of Annual Assessments. The Board shall prepare a budget prior to the beginning of the each fiscal year estimating its net cash flow requirements for the next year and an estimate of the Assessments to be charged each Owner and distribute them to the Owners at least 30 days prior to the annual meeting of the Board. The Owners shall have the opportunity to discuss them at the annual meeting prior to their final approval. On or before May 31 of each year, the Board shall approve the budget in final form, and shall determine, levy, and assess the Master Association's annual Assessments for the following year. Each budget shall include funds for establishing and maintaining reserves for periodic repairs, replacement, and maintenance of those improvements on the Common Area which must be replaced on a periodic basis, and for taxes, capital improvements, deficiencies from the prior year's Maintenance Fund, and other purposes and shall include any expected income and surpluses from the prior year's Maintenance Fund.

Section 8.4. Basis and Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Privately Owned Site or Unit to an Owner, the maximum annual assessment shall be 'No Hundred dollars (\$200.00) per Privately Owned Site (other than Units) and One Hundred Thirty-Four dollars (\$134.00) per Unit.

8.4.1. From and after January 1 of the year following conveyance of the first Privately Owned Site or Unit to an Owner, the maximum annual assessment for each year may be increased by the amount of increase in the Consumer Price Index for All Urban Consumers (CPI=U) (1967=100) All Items, for Denver, Colorado, published by the United States Department of Labor, Bureau of Labor Statistics (or the most nearly comparable successor index if the specified index is no longer published) from the amount of the index for June 1983 ("Beginning Index") to the amount of the index for the month of November in the year preceding the budget year in question ("Extension Index") by multiplying the initial maximum annual assessment by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index.

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

8.4.3. The annual assessment may be increased above the limit set by subsection 8.4.1 with the approval by at least 67 percent of the votes of each class of members attending (in person or by proxy) a meeting called for such purpose.

Section 8.5. Special Assessments. In addition to the annual Assessments authorized by Section 8.1 hereof, the Board of Directors may levy, in any Assessment year, a special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto. Any such assessment that exceeds five percent of the gross annual budget of the Board for that year shall have the assent of at least 67 percent of the votes of each class of members who are voting in person or by proxy or the approval of Delegates representing 67 percent of each class of members at a special meeting of the Owners duly called as provided in the Bylaws for this purpose attended by at least 60 percent of the Owners in person or by proxy, written notice of which shall be sent to all Owners at least ten days in advance and which shall set forth the purpose of the meeting. Notice in writing of the amount of any special Assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than 30 days after such notice shall have been given.

Section 8.6. Uniform Rate of Assessment. Annual Assessments must be fixed at a uniform rate for each type of Privately Owned Site or Unit classified by use or by Delegate District, except that each Delegate District or each type of use may be subject to an additional Assessment for special services provided by the Master Association to such Delegate Districts or type of use, which shall be assessed at a uniform rate within each Delegate District or type of use, as provided herein. Privately Owned Sites (other than Units) shall be assessed on an equal basis regardless of the size or location of such Privately Owned Sites, the assessment for a Unit shall be approximately 2/3 of the assessment for each Privately Owned Site (other than Units). The Declarant or its successors and assigns shall pay one-fourth of the assessment applicable to each Privately Owned Site (other than Units) or Unit in which the Declarant or its successors and assigns retains ownership whether such Site or Unit is improved or unimproved, provided that no portion of such Site or Unit has been used or occupied for residential purposes. In the event that assessed fees collected by the Master Association fail to adequately meet Master Association expenses while the Declarant or its successors and assigns is paying less than the full assessment for the Privately Owned Sites or Units owned by it, then the Declarant or its successors and assigns must pay an additional sum up to the full assessment applicable to such Privately Owned Sites or Units; provided, however, that the foregoing shall not

be interpreted to require Declarant or its successors and assigns to establish, or to pay over to the Master Association to establish, reserves or reserve accounts for maintenance of the Master Association Properties; and provided further, however, that the foregoing covenant of Declarant or its successors and assigns to be responsible for the payment of such additional amount or amounts shall automatically terminate, expire, and become null and void at such time as the Class B membership is terminated.

The rates of Assessment for each Delegate District and type of use shall be established from time to time for Castle Pines North by resolution of the Board. The classification of a privately Owned Site or Unit as to use and Assessment type shall be made by the Master Association in its sole discretion and its decision shall be final. The Recreational Facilities, developed by Declarant, are conceived to enhance Castle Pines North, and accordingly, will not be assessed hereunder unless Declarant in its sole discretion subjects such facilities to an assessment responsibility.

Section 8.7. Date of Commencement of Annual Assessments: Due Dates.

The annual Assessments provided for herein shall commence as to all Privately Owned Sites or Units on the first day of the month following the conveyance of the first Privately Owned Site or Unit to an Owner. The first annual Assessment shall be prorated according to the number of months remaining in the calendar year. The annual Assessments shall commence for privately Owned Sites or Units contained in each phase of Expansion Master Association Properties or Adjoining Land annexed to the Master Association Properties on the first day of the month following the recording of the Declaration of Annexation incorporating them into the Master Association Properties, and shall be prorated according to the number of months remaining in the calendar year. Assessments shall be collected on a periodic basis as the Board may determine from time to time, but until the Board directs otherwise, Assessments shall be payable quarterly in advance on the first day of each calendar quarter. Any Subassociation may agree with the Master Association to collect annual or special assessments of the Master Association as part of its Delegate District Assessments and remit them to the Master Association on a timely basis. Collection of the Master Association's Assessments in this manner shall not prevent the creation of the Master Association's lien against any Delegate District Privately Owned Site or Unit or the Master Association's ability to enforce or collect its Assessments as provided hereunder if they are not remitted to the Master Association in a timely manner.

Section 8.8. Default Assessments. All monetary fines assessed against an Owner pursuant to the Castle Pines North Documents, or any expense of the Master Association which is the obligation of an Owner or which is incurred by the Master Association on behalf of the Owner pursuant to the Castle Pines North Documents,

shall be a default Assessment and shall become a lien against such Owner's privately Owned Site or Unit which may be foreclosed or otherwise collected as provided herein. Notice of the amount and due date of such default Assessments shall be sent to the Owners subject to such Assessment at least 30 days prior to their due date.

Section 8.9. Effect of Nonpayment of Assessment: Lien: Remedies of Master Association. Any Assessment installment, whether of an annual, special, or default Assessment, which is not paid within 30 days of its due date shall be delinquent. In the event that an Assessment installment becomes delinquent, the Master Association, in its sole discretion, may take any or all of the following actions:

8.9.1. Assess a late charge of not less than \$50 per delinquency.

8.9.2. Assess an interest charge from the date of delinquency at the highest rate per annum then allowed by statute in the State of Colorado for interest on damages for personal injury or on judgments in other actions, whichever is higher.

8.9.3. Suspend the voting rights of the Owner during any period of delinquency.

8.9.4. Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessment for the remainder of the fiscal year shall be due and payable at once.

8.9.5. Bring an action at law against any Owner personally obligated to pay the delinquent installments.

8.9.6. File a Statement of Lien with respect to the Privately Owned Site or Unit, and foreclose on the privately Owned Site or Unit as set forth in more detail below.

The Master Association may file a Statement of Lien by recording with the Clerk and Recorder of Douglas County, Colorado, a written statement with respect to the Privately Owned Site or Unit, setting forth the name of the Owner, the legal description of the Privately Owned Site or Unit, the name of the Master Association, and the amount of delinquent Assessments then owing, which Statement shall be duly signed and acknowledged by the President or a Vice-President of the Master Association or by the Manager, and which shall be served upon the Owner of the Privately Owned Site or Unit by mail to the address of the Privately Owned Site or Unit or at such other address as the Master Association may have in its records for the Owner of the Privately Owned Site or Unit. Thirty days following the mailing of

such notice, the Master Association may proceed to foreclose the statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. Such lien shall be in favor of the Master Association and shall be for the benefit of all other Owners. In either a personal or foreclosure action, the Master Association shall be entitled to recover as a part of the action, the interest, costs, and reasonable attorneys' fees with respect to the action. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of the Privately Owned Site or Unit. The remedies herein provided shall not be exclusive and the Master Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

Section 8.10. Successor's Liability for Assessment. In addition to the personal obligation of each Owner of a Privately Owned Site or Unit to pay all Assessments thereon and the Master Association's perpetual lien on a Privately Owned Site or Unit for such Assessments, all successors to the fee simple title of a Privately Owned Site or Unit, except as provided in this Section, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Privately Owned Site or Unit, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor. This liability of a successor shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Privately Owned Site or Unit. In addition, such successor shall be entitled to rely on the statement of liens shown on any certificate issued by or on behalf of the Master Association under Section 8.14 hereof.

Section 8.11. Subordination of the Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a recorded First Mortgage of record, to any refinancing loan to refinance any such purchase money loan, provided that any such refinancing is evidenced by a First Mortgage of record, and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not. However, the lien of the Assessment shall be superior to and prior to any homestead exemption now or hereafter provided by the laws of the State of Colorado, and acceptance of a deed to any part of the Master Association Properties shall constitute a waiver of the homestead exemption by the grantee in the deed. No sale or transfer shall relieve a Privately Owned Site or Unit from liability for any Assessments or from the lien thereof. However, sale or transfer of any Privately Owned Site or Unit pursuant to a decree of foreclosure or by a public trustee's foreclosure, or any other proceeding or deed

in lieu of foreclosure, for the purpose of enforcing a First Mortgage, or the cancellation or foreclosure of any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns and whether such contract is recorded or not, shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer, and the amount of such extinguished lien may be reallocated and assessed to all Privately Owned Sites or Units as a common expense at the direction of the Board. No sale or transfer shall relieve the purchaser or transferee of a Privately Owned Site or Unit from liability for, nor the Privately Owned Site from the lien of, any Assessments made thereafter.

Section 8.12. Notice of Action. Any First Mortgagee who makes a prior written request to the Secretary of the Master Association and furnishes its name and address and the legal description of the Privately Owned Site or Unit in which it has an interest to the Secretary shall be entitled to timely written notice of any delinquency in payment of an annual, special, or default Assessment owed by the Owner of the Privately Owned Site or Unit encumbered by its First Mortgage or of any other default by the Owner under the Castle Pines North Documents, which has continued for a period of 60 days or more. In addition, any such First Mortgagee shall be entitled to cure such delinquency and obtain the release of the privately Owned Site or Unit encumbered by its First Mortgage from any lien imposed or perfected by reason of such delinquency.

Section 8.13. Exempt Master Association Properties. The following portions of the Master Association Properties shall be exempt from the Assessments, charges, and liens created herein:

8.13.1. All properties to the extent of any easement or other interest therein dedicated and accepted by Douglas County, Colorado, and devoted to public use;

8.13.2. Any real property owned by the Castle Pines North Metropolitan District;

8.13.3. All utility lines and easements;

8.13.4. The Common Area and all Delegate District Common Areas; and

8.13.5. The Recreational Facilities.

The Golf Course and any commercial project developed or owned by Declarant or its assigns are located on property not governed by this Declaration or the Castle Pines North Documents and, therefore, an assessment is not applicable to those properties.

Section 8.14. Statement of Status of Assessments. Upon ten days' written notice to the Treasurer of the Master Association or the Manager and payment of a reasonable fee set by the Master Association from time to time, any Owner, prospective purchaser, or Mortgagee of a Privately Owned Site or Unit shall be furnished a statement of the account for such Privately Owned Site setting forth:

8.14.1. The amount of any unpaid Assessments (whether annual, special, or default Assessments), interest, late charges, costs, expenses, and attorneys' fees then existing against a particular Privately Owned Site or Unit.

8.14.2. The amount of the current periodic installments of the annual Assessment and the date through which they are paid.

8.14.3. Any other information deemed proper by the Master Association.

The information contained in such statement, when signed by the Treasurer or Manager, shall be conclusive upon the Master Association as to the person or persons to whom such statement is issued and who rely on it in good faith.

Section 8.15. Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment Notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made at which time any shortfalls in collections may be assessed retroactively by the Master Association.

ARTICLE IX

MASTER ASSOCIATION PROPERTIES USE RESTRICTIONS

Section 9.1. General Restriction. The Master Association Properties shall be used only for the purposes set forth herein, as permitted by the applicable ordinances of the County of Douglas, Colorado, and the laws of the State of Colorado and the United States, and as set forth in the Castle Pines North Documents, amendments, or specific recorded covenants affecting all or any part of the Master Association Properties.

Section 9.2. Maintenance of Privately Owned Sites and Units. Except as provided otherwise in the Castle Pines North Documents, applicable Delegate District Documents, or by written

agreement within the Master Association, all maintenance of the Privately Owned Sites or Units and all structures, landscaping, parking areas, and other Improvements thereon shall be the sole responsibility of the Owner thereof who shall maintain said Privately Owned Site or Unit in accordance with the community-wide standard of Castle Pines North. The Master Association shall, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance being provided by such Owner does not satisfy such standard, and the Subassociation for the Delegate District in which the privately Owned Site or Unit is located has failed to adequately provide such maintenance. Before assuming the maintenance responsibilities, the Board shall notify the Owner and the applicable Subassociation in writing of its intention to do so, and if such Owner or the Subassociation has not commenced and diligently pursued remedial action within 30 days after mailing of such written notice, then the Master Association shall proceed. The expenses of such maintenance by the Board shall be reimbursed to the Master Association by the Owner, together with interest at five points above the prime rate charged by the Master Association's bank, or such other rate set by the Board of Directors, from the date of expenditure. Such charges shall be a default assessment and lien on the Privately Owned Site or Unit of the Owner as provided in Section 8.8 hereof.

Section 9.3. Compliance With Insurance Requirements. It shall be the responsibility of the individual Owners, and at their expense, to make arrangements in regard to title insurance on their Privately Owned Sites or Units upon any resale, for hazard insurance on the Improvements, personal property and furnishings located on their Privately Owned Sites or Units, and for public liability insurance covering their Privately Owned Sites; provided, however, that none of the above described insurance coverages violate insurance requirements of any Subassociation documents. In addition, each Owner may obtain such other and additional insurance coverage on and in relation to his Privately Owned Site or Unit as such Owner concludes to be desirable; provided, however, that none of such insurance coverages obtained by an Owner shall affect any insurance coverages obtained by the Master Association nor cause the diminution or termination thereof. Any such insurance obtained by an Owner shall waive the particular insurance company's right of subrogation against the Master Association and other Owners.

Section 9.4. Motorized Vehicles. No trucks, trail bikes, recreational vehicles, motor homes, motor coaches, snowmobiles, campers, trailers, boats or boat trailers, or similar vehicles other than passenger automobiles or pickup or utility trucks with a capacity of one-half ton or less or any other motorized vehicles shall be parked, stored, or in any manner kept or placed on any portion of the Master Association Properties or road therein except in an enclosed garage. This restriction, however, shall not be deemed to prohibit commercial

and construction vehicles, in the ordinary course of business, from making deliveries or otherwise providing service to the Master Association Properties or for the initial construction by Declarant or other Owners.

Section 9.5. Excavation. No excavation shall be made except in connection with Improvements approved as herein provided. For purposes of this Section, excavation" shall mean any disturbance of the surface of the land (except to the extent reasonably necessary for approved landscape planting) which results in a removal of earth, rock, or other substance a depth of more than 18 inches below the natural surface of the land.

Section 9.6. Electrical and Telephone Service. All electrical and telephone service will be placed underground.

Section 9.7. Water and Sanitation. Each structure designed for occupancy or use by humans shall connect with water and sanitation facilities as shall be made available from time to time by the Castle Pines North Metropolitan District, the Castle Pines Metropolitan District, or any other approved person or entity.

Section 9.8. Wells. No well for the production of or from which there is produced water, oil, or gas shall be dug nor storage tanks or reservoirs, nor any installation of power, telephone, or other utility lines (wire, pipe, or conduit) shall be made or operated anywhere on the Master Association Properties except water wells and works operated by public agencies or duly certified public utility companies; provided, however, that the foregoing shall not prevent the drilling of or installation of additional water wells by Declarant or its assigns.

Section 9.9. Signs. No signs of any kind shall be displayed to the public view on or from any portion of the Master Association Properties except those signs approved by the Committee, or signs of Declarant or its affiliates or assigns, or except as may be required by law.

Section 9.10. Animals and Pets. No animals, livestock, or poultry of any kind shall be kept, raised, or bred on any portion of the Master Association Properties, except dogs, cats, or other household pets (the kind and number of which may be regulated, permitted or prohibited from time to time by the Castle Pines North Rules), and except horses owned and used in connection with the equestrian operation, if any, established by Declarant or the Master Association.

9.10.1. Household pets, such as dogs and cats, must be contained upon Owner's Privately Owned Site or Owner's Unit and such pets may not be permitted to run at large at any time. Approved fencing is required to assure that domestic pets do not

stray from the Owner's property. In lieu of fencing a privately Owned Site and as the Committee may approve, Owners may construct a fenced run on a Privately Owned Site.

9.10.2. Pedestrians within the Master Association Properties who are accompanied by dogs must have the dogs under the pedestrians' direct control by use of a leash not to exceed 10 feet in length.

Section 9.11. Drainage. No Owner shall do or permit any work, construct any Improvements, place any landscaping, or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Master Association Properties or any Common Area therein, except to the extent such alteration and drainage pattern is approved in writing by the Committee, or the Board, and except for rights reserved to Declarant to alter or change drainage patterns.

Section 9.12. Trash. No trash, ashes, garbage or other refuse shall be thrown or dumped on any land or area within the Master Association Properties. There shall be no burning or other disposal of refuse out-of-doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of such refuse and all such receptacles shall be screened from the public view and from the wind and protected from animal and other disturbance.

Section 9.13. Construction Regulations of the Design Guidelines. All Owners and their contractors shall comply with the construction regulations portions of the Design Guidelines. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors, and Owners' representatives on the Master Association Properties at any time; the conservation of landscape materials and fire protection.

Section 9.14. Blasting. If any blasting is to occur, the Committee and Declarant shall be informed far enough in advance to allow them to make such investigation as they deem appropriate to confirm that appropriate protective measures have been taken prior to the blasting. Notwithstanding the foregoing, no approval of any blasting by the Declarant or the Committee shall in any way release the person conducting the blasting from all liability in connection therewith, nor shall such approval in any way be deemed to make the Declarant or the Committee liable for any damage which may occur from said blasting and the person doing said blasting shall defend and hereby indemnifies the Declarant and Committee from any such expense or liability. The Declarant or Committee may impose any reasonable restrictions, including time, day and date restrictions, on all blasting.

Section 9.15. Temporary Structures. No temporary structures shall be permitted except as may be determined to be necessary during construction and as specifically authorized by the Committee.

Section 9.16. Compliance With Laws. Subject to the rights of reasonable contest, each Member shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Master Association Properties.

Section 9.17. No Outside Clotheslines. No laundry or wash shall be dried or hung outside any Building.

Section 9.18. Parking and Auto Repair. No automobiles or other vehicles shall be parked in any street or upon any portion of the Master Association Properties except within garages, carports, or designated parking areas. No work on automobiles or other vehicle repair shall be performed in any portion of the Master Association Properties or in the Common Areas except in emergencies.

Section 9.19. Abandoned, Inoperable, or Oversized Vehicles. Abandoned or inoperable automobiles or vehicles of any kind, except as hereinafter provided, shall not be stored or parked on any portion of the Master Association Properties. "Abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of three weeks or longer; provided, however, this shall not include vehicles parked by Owners while on vacation. A written notice describing the "abandoned or inoperable vehicle" and requesting removal thereof may be personally served upon the Owner or posted on the unused vehicle; and if such vehicle has not been removed within 72 hours thereafter, the Master Association shall have the right to remove the same without liability to it, and the expense thereof shall be charged against the Owner. "Oversized" vehicles, for purposes of this Section, shall be vehicles which are too high to clear the entrance to a residential garage. All unsightly or oversized vehicles, snow removal equipment, garden maintenance equipment, and all other unsightly equipment and machinery may be required by Declarant or the Board of Directors to be stored at a location or locations designated.

Section 9.20. Antenna. No exterior radio, television, microwave or other antenna or antenna dish or signal capture and distribution device shall be permitted without the prior written consent of the Committee, and appropriate screening.

Section 9.21. Outside Burning. No exterior fires, except barbecues, outside fireplaces, braziers, and incinerator fires which are contained within facilities or receptacles and which are located in areas designated and approved by the Committee, shall be permitted. No Member shall permit any condition upon its portion of

the Master Association Properties which creates a fire hazard or is in violation of fire prevention regulations.

Section 9.22. Annoying Lights, Sounds, or Odors. No sound or odor shall be emitted from any property within the Master Association Area which is obnoxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, other than devices used exclusively for security, fire prevention or fire control purposes, shall be located or used on any property except with the prior written approval of the Design Review Committee.

Section 9.23. Obstructions. There shall be no obstruction of any pedestrian walkways nor interference with the free use thereof except as may be reasonably required in connection with repairs of such walkways. The Owners, their family, tenants, guests, and invitees are granted nonexclusive easements to use the pedestrian walkways within the Master Association Area. The use thereof shall be subject to the Castle Pines North Rules which may be adopted by the Board from time to time. The Master Association shall promptly take such action as may be necessary to abate or enjoin any interference with or obstruction of pedestrian walkways, and the Master Association shall have a right of entry on any part of the Master Association Area for the purposes of enforcing this Section, and any costs incurred by the Master Association in connection therewith shall be specially assessed to the Owners or other persons responsible therefore.

Section 9.24. Camping and Picnicking. No camping or picnicking shall be allowed within the Master Association Properties except in those areas designated for such purpose. The Board, in its discretion, may ban or permit public assemblages and rallies within the Master Association Properties.

Section 9.25. House Numbers. Each dwelling shall have a house number conforming to a design and location established by the Committee.

Section 9.26. Continuity of Construction. All Improvements commenced on the Master Association Area shall be prosecuted diligently to completion and the exterior of any dwelling unit shall be completed within 12 months of commencement, unless an exception is granted in writing by the Committee. If an Improvement is commenced and construction is then abandoned for more than 90 days or construction of the exterior of any dwelling unit is not completed within the required 12-month period, and after notice and hearing as provided in the Bylaws, then the Master Association may impose a fine of not less than \$500 per day on the Owner of the Privately Owned Site until construction is resumed, or the Improvement is completed, whichever is earlier, unless the Owner can prove to the satisfaction

of the Board that such abandonment is for circumstances beyond the Owner's control. Such charges shall be a default assessment and lien as provided in Section 8.8 hereof.

Section 9.27. Nuisance. No obnoxious or offensive activity, or nuisance shall be carried on or be permitted to exist within the Master Association Area, nor shall anything be done or permitted which is or may become offensive or detrimental or cause a disturbance or annoyance to any other part of the Master Association Area or its occupants.

Section 9.28. General Practices Prohibited. The following practices are prohibited at Castle Pines North:

9.28.1. Changing oil on any vehicle or equipment other than at a location designated for that purpose by the Committee;

9.28.2. Allowing concrete suppliers and contractors to clean their equipment other than at a location designated for that purpose by the Committee;

9.28.3. Removing any rock, plant material, topsoil or similar items from any property of others;

9.28.4. Carrying firearms on the Master Association Properties;

9.28.5. Use of surface water for construction; or

9.28.6. Careless disposition of cigarettes and other flammable materials.

Section 9.29. Declarant's Use. It shall be expressly permissible and proper for Declarant and any Owner and their employees, agents, independent contractors, successors, and assigns involved in the construction of improvements on the Master Association Properties or the Expansion Master Association Properties, or other real property owned by Declarant, or the providing of utility service therefore to perform such activities and to maintain upon such portions of the Master Association Properties as they deem necessary such facilities as may be reasonably required, convenient, necessary, or incidental to such construction and sale, specifically including, without limiting the generality of the foregoing, maintaining business offices, storage areas, construction yards and equipment, signs, and sales offices; provided, however, that no activity shall be performed and no facility shall be maintained on any portion of the Master Association Properties in such a way as to unreasonably interfere with or disturb any purchaser or Owner of a Privately Owned Site or Unit, or to unreasonably interfere with the use, enjoyment, or access

of such Owner, its tenants, employees, guests, or business invitees, of its Privately Owned Site. If any Owner's use under this provision is deemed objectionable by the Declarant (or by the Design Review Committee after termination of the Class B membership), in its sole discretion, then Declarant (or the Design Review Committee, as applicable) may withdraw this permission.

Section 9.30. Recreational Facilities - Covenants not to Apply. The provisions of Sections 9.1 through 9.29 shall not apply to the Recreational Facilities. The Declarant and Owner of a Recreational Facility may adopt rules and regulations governing the use and conduct of said facilities. The Recreational Facilities shall nevertheless have the benefit of the provisions of this Article IX.

Section 9.31. Leasing. The Owner of a Privately Owned Site or Unit shall have the right to lease such privately Owned Site or Unit subject to the following conditions:

9.31.1. All leases shall be in writing.

9.31.2. The lease shall be specifically subject to the Castle Pines North Documents and any failure of a lessee to comply with the Castle Pines North Documents shall be a default under the lease.

9.31.3. The Owner shall be liable for any violation of the Castle Pines North Documents committed by such Owner's tenant, without prejudice to such Owner's right to collect any sums paid from the tenant.

ARTICLE X

DESIGN REVIEW COMMITTEE

Section 10.1. Membership. There is hereby established a Design Review Committee which shall be responsible for the establishment and administration of Design Guidelines to carry out the purposes and intent of this Declaration. The Committee shall be composed of five persons, who need not be Members. All of the members of the Committee shall be appointed, removed, and replaced by the Declarant in its sole discretion, until such time as all of the Class B memberships are terminated as provided in Section 4.5, at which time the Board shall succeed to the Declarant's right to appoint, remove or replace the members of the Committee.

Section 10.2. Purpose. The Committee shall review, study and either approve or reject proposed Improvements on the Master Association Properties, all in compliance with this Declaration and as further set forth in the rules and regulations of the Committee

and the Castle Pines North Design Guidelines as may be adopted and established from time to time by the Committee. Notwithstanding any provision herein, the Golf Course and any commercial project including, but not limited to, offices, shopping facilities, resort complexes and hotels developed by Declarant or its assigns are located on property not governed by the Castle Pines North Documents, and therefore, shall not be subject to these covenants, conditions and restrictions.

10.2.1. The Committee shall exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, quality and type of construction, materials, color, location on the Building Site, height, grade and finished ground elevation, and all aesthetic considerations herein set forth.

10.2.2. No building, fence, well or other structure shall be commenced, erected or alteration therein be made until the plan and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing, provided, however, that improvements and alterations which are completely within a Building may be undertaken without such approval. In the event the Committee, or its designated committee, fails to approve or disapprove such design and location within 30 days after the plans and specifications have been submitted to it, approval will not be required and Section 10.2 will be deemed to have been fully complied with.

10.2.3. The actions of the Committee in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

Section 10.3. Organization and Operation of Committee.

10.3.1. Term. The term of office of each member of the Committee, subject to paragraph 10.1, shall be one year, commencing January 1 of each year, and continuing until his successor shall have been appointed. Should a Committee member die, retire, become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in paragraph 10.1.

10.3.2. Chairman. So long as the Declarant appoints the Committee, the Declarant shall appoint the chairman. At such time as the Committee is appointed by the Board of the Master Association, the chairman shall be elected annually from

among the members of the Committee by majority vote of said members.

10.3.3. Operations. The chairman shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the Committee prior to any meeting. Such notice shall set forth the time and place of said meeting, which notice may be waived by any member. In the absence of a chairman, the parties appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, a temporary successor.

10.3.4. Voting. The affirmative vote of a majority of the members of the Committee shall govern its actions and be the act of the Committee. A quorum shall consist of a majority of the members.

10.3.5. Expert Consultation. The Committee may avail itself of technical and professional advice and consultants as it deems appropriate.

Section 10.4. Expenses. Except as hereinafter provided, all expenses of the Committee shall be paid by the Master Association. The Committee shall have the right to charge a filing fee for each application submitted to it for review, in an amount which may be established by the Committee from time to time, and such filing fees shall be collected by the Committee and remitted to the Master Association to help defray the expenses of the Committee's operation.

Section 10.5. Design Guidelines and Rules. The Committee shall adopt, establish and publish, from time to time, Design Guidelines, which shall be a Castle Pines North Document. Said Guidelines shall not be inconsistent with the Declaration but shall more specifically define and describe the design standards for Castle Pines North and the various uses within the Castle Pines North community. The Design Guidelines may be modified or amended from time to time by the Committee. All prospective Owners and builders are advised to contact the Committee to obtain the most current copy of the Guidelines.

Section 10.6. Limitation of Liability. The Committee shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the Committee, nor any individual member thereof, shall be liable to any person for any official act of the Committee in connection with submitted plans and specifications, except to the extent the Committee or any individual

member thereof acted with malice or wrongful intent. Approval by the Committee does not necessarily assure approval by the appropriate governmental board or commission for Douglas County, Colorado. Notwithstanding that the Committee has approved plans and specifications, neither the Committee nor any of its members shall be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim, or expense which may arise by reason of such approval or to the construction of the Improvements. Neither the Board, the Design Review Committee or any agent thereof, nor Declarant or any of its partners, employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Castle Pines North Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Committee shall be defended and indemnified by the Master Association in any such suit or proceeding. The Master Association, however, shall not be obligated to indemnify each member of the Committee to the extent any such member of the Committee shall be adjudged to be liable for negligence or misconduct in the performance of his duty as a member of the Committee unless and only to the extent that the Court in which such action or suit may be brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

Section 10.7. Certificate of Compliance. Upon payment of a reasonable fee established from time to time by the Design Review Committee, and upon written request of any Owner or his agent, an existing or prospective Mortgagee or a prospective grantee, the Committee shall issue an acknowledged certificate, in recordable form, setting forth generally whether or not, to the best of the Committee's knowledge, said Owner is in violation of any of the terms and conditions of the Castle Pines North Documents. Unless such request shall be complied with within 30 days after receipt thereof, it shall be conclusively presumed that the Owner and the affected Privately Owned Site is in conformance with all the terms and conditions subject to the control of the Committee.

Section 10.8. Required Approval by Any Subassociation Architectural Committee. In addition to the approval of any Improvement to Property by the Architectural Committee of the Master Association, the approval of any Improvement to Property shall also be required by the architectural committee of any applicable Subassociation or of any architectural committee established under any applicable Supplemental Declaration if and to the extent set forth in the Supplemental Declaration.

Section 10.9. General. The right of an Owner, developer, or other entity to construct, reconstruct, refinish, alter or

maintain any Improvement upon, under or above any of the Master Association Properties (except as provided in Section 10.2.2) or to make or create any excavation or fill thereon, or to make any change in the natural or existing surface contour or drainage thereof, or install any utility line or conduit thereon or thereover, shall be subject to the Design Guidelines and to the general restrictions set forth herein.

Section 10.10. Approval Required. Except to the extent permitted in Section 10.2.2, any construction or reconstruction, or the refinishing or alteration of any part of the exterior of any Building or other Improvement on the Master Association Properties is absolutely prohibited until and unless the Owner or developer first obtains approval thereof from the Design Review Committee and otherwise complies' with the provisions hereof. All Improvements shall be constructed only in accordance with approved plans.

Section 10.11. Deemed Nuisances. Every violation of these Covenants or any part hereof is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed thereof or by law or equity against a Member shall be applicable against every such violation. These Covenants may be enforced as hereinafter provided.

Section 10.12. Removal of Nonconforming Improvements. The Master Association, upon request of the Committee and after reasonable notice to the offender and to the Owner, may remove any Improvements constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants, and the Owner thereof shall forthwith reimburse the Master Association for all expenses incurred in connection therewith.

Section 10.13. Development by Declarant. Notwithstanding any other provisions of this Article K or of this Declaration which may be to the contrary, the provisions of this Article K shall not apply to any Improvement to Property proposed or made by Declarant or its successors and assigns (as such term is defined in Section 2.16 hereof) in connection with its development, construction, promotion, marketing, sale or leasing of properties within the boundaries of the area comprised of the First Subdivision and the Expansion Property.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Term. The covenants and restrictions of this Declaration shall run with and bind the Master Association Properties for a term of twenty years from the date this Declaration is recorded, after which time they shall be automatically extended

for successive periods of time of ten years each, unless otherwise terminated or modified as hereinafter provided.

Section 11.2. Amendment. Notwithstanding the provisions in Sections 11.10 and 11.11, this Declaration may be amended by an instrument signed by the Owners of not less than 75 percent of the Privately Owned Sites or Units. Any amendment must be recorded. In lieu of recording the actual signatures required to be obtained, an affidavit of the Secretary of the Master Association may be recorded to the effect that the necessary signatures have been obtained and have been filed in the corporate records. Amendment of the Declaration to conform to the requirements of FNMA, FELMC, FHA, or VA, or to correct technical errors or for clarification, may be made unilaterally by Declarant without obtaining the consent of the Owners, notwithstanding the foregoing.

Section 11.3. Notice of Amendment. No amendment of this Declaration shall be effective unless a written notice of the proposed amendment is sent to every Owner at least 30 days in advance of any action taken or purported to be taken and such Owner has been given the opportunity to vote or give its consent thereto.

Section 11.4. Effective on Recording. Any modification or amendment shall be immediately effective upon recording a copy of such amendment or modification, executed and acknowledged by the necessary number of Owners (and by Declarant as required herein) accompanied by a certificate of a licensed abstract or title company as to ownership, or upon the recording of a copy of the amendment or modification together with a duly authenticated Certificate of the Secretary of the Board stating that the required number of consents of Owners and certificate of a licensed title or abstract company were obtained and are on file in the office of the Master Association, in the office of the Clerk and Recorder of Douglas County, Colorado.

Section 11.5. Revocation. This Declaration shall not be revoked, except as provided in Article VI regarding total condemnation, without the consent of all of the Owners in a written instrument duly recorded.

Section 11.6. Compliance with Documents. Each Owner shall abide by and benefit from the provisions, covenants, conditions, and restrictions contained in the Delegate District Documents and Castle Pines North Documents.

Section 11.7. Mortgagee' Rights. The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgages on Privately Owned Sites or Units in Castle Pines North. To the extent applicable, necessary, or proper, the provisions of

this Article XI apply to both this Declaration and to the Articles and Bylaws of the Master Association.

Section 11.8. Notices of Action. A holder, insurer, or guarantor of a First Mortgage, who provides written request to the Master Association (such request to state the name and address of such holder, insurer, or guarantor and identification of the Privately Owned Site or Unit), shall be an "eligible holder" and shall be entitled to timely written notice of.

11.8.1. Any condemnation loss or casualty loss which affects a material portion of the Master Association Properties or which affects any Privately Owned Site or Unit on which there is a First Mortgage held, insured, or guaranteed by such eligible holder;

11.8.2. Any default in performance of any obligation under the Castle Pines North Documents, including any delinquency in the payment of assessments or charges owed by an Owner of a Privately Owned Site or Unit subject to a First Mortgage held, insured, or guaranteed by such eligible holder (or any First Mortgagee) which continues for a period of 60 days;

11.8.3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Master Association; or

11.8.4. Any proposed action which would require the consent of a specified percentage of eligible holders, as required in Section 11.9 of this Article.

Section 11.9. Other Provisions for the Benefit of Eligible Holders. To the extent permitted under Colorado law, the approval of 51 percent of the eligible holders of Mortgages on Privately Owned Sites or Units subject to eligible holder Mortgages shall be obtained before taking the following actions:

11.9.1. Restoration or repair of the Master Association Properties, after a partial condemnation or damage due to an insurable hazard, which will not be performed substantially in accordance with the Delegate District Documents and the original plans and specifications;

11.9.2. Any election to terminate the legal status of Castle Pines North after substantial destruction or a substantial taking in condemnation of the Master Association Properties; or

11.9.3. Any decision to terminate professional management, which decision shall also be subject to approval by

Owners holding at least 67 percent of the votes on the Master Association.

Section 11.10. Amendments to Documents. The following provisions do not apply to amendments to the Delegate District Documents or termination of the Master Association made as a result of destruction, damage, or condemnation pursuant to Sections 11.8 and 11.9 above, or to the addition of land in accordance with Article III. If consent of any eligible holder is requested in writing pursuant hereto and a negative response is not received by the Master Association within 30 days after such eligible holder's receipt thereof, then such eligible holder shall be deemed to have given its consent.

11.10.1. The consent of at least 67 percent of the Class A votes and of the Declarant so long as it owns any Privately Owned Site or Delegate District subject to this Declaration and the approval of 67 percent of the eligible holders of mortgages on Privately Owned Sites and Units subject to eligible holder mortgages shall be required to terminate the Master Association.

11.10.2. The consent of at least 67 percent of the Class A votes and of the Declarant so long as it owns any Privately Owned Sites or Delegate District subject to the Declaration and the approval of at least 51 percent of the eligible holders of mortgages on Privately Owned Sites and Units subject to eligible holder mortgages shall be required to add to or amend any material provisions of the Castle Pines North Documents which establish, provide for, govern, or regulate any of the following (an addition or amendment shall not be deemed material if it is for the purpose of correcting technical errors or for clarification):

- (a) Voting;
- (b) Assessments, assessment liens, or subordination of such liens;
- (c) Reserves for maintenance, repair, and replacement of the Common Area;
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the Common Area;
- (f) Responsibility for maintenance and repair of the Master Association Properties;

(g) Expansion or contraction of the Master Association Properties or the addition, annexation, or withdrawal of property to or from Castle Pines North;

(h) Boundaries of any Privately Owned Site;

(i) Convertibility of Privately Owned Sites into Common Areas or Common Area into Privately Owned Sites;

(j) Leasing of Privately Owned Sites;

(k) Imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey a Privately Owned Site; or

(l) Any provisions which are for the express benefit of Mortgagees or eligible of Mortgages.

Section 11.11. FHLMC Approval Requirements. Unless at least 67 percent of the First Mortgagees (based on one vote for each First Mortgage owned) and Owners (other than Declarant) holding at least 67 percent of the votes on the Master Association have given their prior written approval, the Master Association shall not be entitled to:

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

11.11.2. Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

11.11.3. By act or omission change, waive, or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of improvements on Privately Owned Sites, the exterior maintenance of improvements on Privately Owned Sites, the maintenance of the Common Area party walls or common fences and driveways, or the upkeep of lawns and plantings in Castle Pines North;

11.11.4. Fail to maintain fire and extended coverage on insurable common property in an amount not less than 100 percent of current replacement cost; or

11.11.5. Use hazard insurance proceeds for losses to common property for other than the repair, replacement-' or reconstruction of such common property.

Section 11.12. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration as applicable: annexation of additional properties except as provided in Article III hereof; merger, consolidation, or dissolution of the Master Association; dedication, conveyance, or mortgaging of Common Area; or amendment of this Declaration or the Articles of Incorporation. Prior to any such proposed action, Declarant shall give written notice of such proposed action to the FHA and the VA, and for 60 days following the receipt of such notice, the FHA or the VA shall have the power to prohibit such action by written notice to Declarant. If no written notice of veto is received by Declarant within such 60-day period, then such approval shall be deemed given and Declarant may proceed as if such approval was obtained with respect to the request contained in such notice. Any certificate of amendment or repeal shall state whether or not any such consent is required and, if required, shall state whether or not such consent has been obtained, and the statements in the certificate shall be binding and conclusive on all persons.

Section 11.13. First Mortgagees May Pay Common Area Charges. Any First Mortgagee may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any of the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area, and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Master Association.

Section 11.14. Violations Deemed a Nuisance. Every violation hereof or of any other of the Castle Pines North Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement thereof. In addition, all public and private remedies allowed at law or equity against anyone in violation of these Covenants shall be available.

Section 11.15. Compliance. Each Member, Owner, or other occupant of any part of the Master Association Properties shall comply with the provisions of the Castle Pines North Documents as the same may be amended from time to time.

Section 11.16. Failure to Comply. Failure to comply herewith shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the

Bylaws shall be given to the delinquent Owner prior to commencing any legal proceedings.

Section 11.17. Enforcement. The Master Association or any Owner shall have the right to enforce against any Owner, and any Owner shall have the right to enforce against the Master Association, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Master Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 11.18. Remedies. In addition to the remedies set forth above in this Article XI, any violation of the Castle Pines North Documents shall give to the Board, the Manager, or the Declarant, on behalf of the Owners, the right to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify or replace, at the expense of the offending Owner any structure, thing or condition that may exist thereon contrary to the interest and meaning of the Castle Pines North Documents. If the offense occurs on any easement, walkway, Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 11.19. Nonexclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

Section 11.20. No Liability. No member of the Board, the Declarant, the Design Review Committee, the Manager nor any Owner shall be liable to any other Owner for the failure to enforce any of the Castle Pines North Documents at any time.

Section 11.21. Recovery of Costs. If legal assistance is obtained to enforce any of the provisions hereof, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of or to restrain the violation of the Castle Pines North Documents, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees as may be incurred, or if suit is brought, as may be determined by the court.

Section 11.22. Resolution of Disputes. If any dispute or question (hereinafter the "Matter") arises between Members or between Members and the Master Association or the Design Review Committee relating to the interpretation, performance or nonperformance, violation, or enforcement of the Castle Pines North Documents, such Matter may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the Bylaws.

Section 11.23. Severability. This Declaration, to the extent possible, shall be construed or reformed so as to give validity to all of the provisions hereof. Any provision of this Declaration found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 11.24. Construction. In interpreting words herein, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 11.25. Headings. The headings are included only for purposes of convenient reference, and they shall not affect the meaning or interpretation of this Declaration.

Section 11.26. Registration of Mailing Address. Each Owner shall register his mailing address with the Secretary of the Master Association from time to time, and notices or demands intended to be served upon or given to a Member shall be personally delivered to or sent by mail, postage prepaid, addressed in the name of the Owner at such registered mailing address.

Section 11.27. Notice. All notices or requests required hereunder shall be in writing. Notice to any Owner shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt requested, to the address of such Owner on file in the records of the Master Association at the time of such mailing. Notice to the Board, the Master Association or to the Design Review Committee shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt requested, to the Master Association, the Board, the Committee or the Manager, at such address as shall be established by the Master Association from time to time by notice to the Owners. General notices to all Owners or any classification thereof need not be certified, but may be sent regular first class mail.

Section 11.28. Waiver. No failure on the part of the Master Association, the Board, or the Committee to give notice of default or to exercise or to delay in exercising any right or remedy hereunder shall operate as a waiver, except as herein specifically provided should the Board or Committee fail to respond to certain requests. No waiver shall be effective unless it is in writing, signed by the President or Vice President of the Board on behalf of the Master Association or by the Chairman of the Committee if on behalf of the Committee.

Section 11.29. Limitation of Liability. Neither the Master Association, the Design Review Committee, nor any officer or

director of the Board shall be liable to any party for any action or for any failure to act with respect to any matter arising by, through or under the Castle Pines North Documents if the action or failure to act was made in good faith. The Master Association shall indemnify all of the Committee members and officers and directors of the Board with respect to any act taken in their official capacity to the extent provided herein and by law and in the Articles and Bylaws of the Master Association.

Section 11.30. Conflicts Between Documents. In case of conflict between the Declaration and the Articles of Incorporation or the Bylaws, the Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control. In case of conflict between the Declaration and Design Guidelines, the Design Guidelines shall control.

Section 11.31. Assignment. Declarant may assign all or any part of its rights and reservations hereunder to any successor who takes title to all or part of the Master Association Properties in a bulk purchase for the purpose of development and sale. Such successor shall be identified, the particular rights being assigned shall be specified, and, to the extent required, concomitant obligations shall be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Douglas County, Colorado.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day first above written.

CASTLE PINES LAND COMPANY, a
Colorado joint venture consist-
ing of:

VICKERS PROPERTIES, INC., a
Colorado corporation

By: Jack A. Vickers III
Jack A. Vickers III, President

(SEAL)

Attest:

By: John W. Allgood
John W. Allgood, Secretary

By Jack A. Vickers
Jack A. Vickers, President

By: Mary R. Damas
Mary R. Damas, Assistant
Secretary

Linda A. Haney
Notary Public

2685 S. Dayton Wy. # 263
Denver, CO 80231

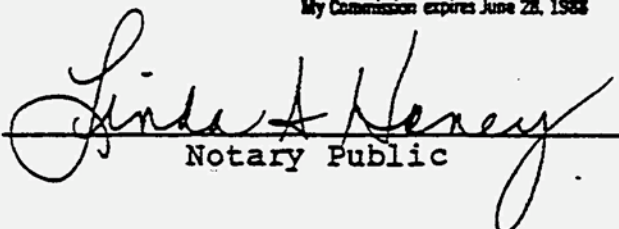
STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

This agreement was acknowledged and signed before me this 19 day of October, 1984, by Jack A. Vickers as President of DOUGLAS PROPERTIES, INC., a Colorado corporation, as a joint venturer in Castle Pines Land Company, a Colorado joint venture, and by Michael R. Dall as Secretary of DOUGLAS PROPERTIES, INC., a Colorado corporation..

Witness my hand and official seal.

My commission expires:

Linda A. Haney, Notary Public
My Commission expires June 28, 1988


Notary Public

(SEAL)

2685 S. Dayton Wy. # 263
Denver, CO 80231

EXHIBIT A

LEGAL DESCRIPTION

A portion of Sections 4 and 9 of Township 7 South, Range 67 West of the Sixth Principal Meridian, Douglas County, Colorado, being described as follows: Beginning at the Southeast Corner of the Southeast Quarter of said Section 4, said corner being the True Point of Beginning of this description, and considering the Easterly line of said Southeast Quarter to bear North 00°11'23" West, with all bearings contained herein relative thereto; thence Westerly along an existing fenceline, which deflects in a Southwesterly direction from the Southerly line of said Southeast Quarter, South 89°19'47" West, 1214.65 feet to an existing fence corner; thence Southerly from said fence corner along an existing fenceline South 01°29'10" East, 1675.77 feet; thence departing said fenceline, South 49°05'48" West, 793.42 feet; thence North 40°54'12" West, 800.00 feet; thence North 89°44'12" West, 762.00 feet; thence North 37°44'12" West, 480.00 feet; thence North 01°34'12" West, 778.00 feet; thence North 35°15'48" East, 400.00 feet; thence North 71°44'12" West, 138.00 feet; thence North 50°29'12" West, 238.00 feet; thence North 70°14'12" West, 100.00 feet; thence North 87°59'12" West, 130.00 feet; thence North 58°44'12" West, 70.00 feet; thence South 46°08'27" West, 137.07 feet; thence South 48°55'18" West, 326.16 feet; thence South 47°34'13" West, 100.00 feet; thence North 23°34'55" East, 427.81 feet; thence North 08°25'29" East, 296.62 feet; thence North 11°28'30" West, 261.21 feet; thence North 26°22'45" West, 195.09 feet; thence North 37°16'32" West, 340.38 feet; thence North 42°06'06" West, 500.00 feet; thence North 29°03'16" West, 200.00 feet; thence North 02°04'26" West, 170.00 feet; thence North 85°36'58" West, 244.32 feet; thence along a non-tangent curve to the left having a delta of 24°57'08", a radius of 591.10 feet, an arc of 257.42 feet and a long chord which bears North 07°54'26" West, 255.39 feet; thence North 20°23'01" West, 0.26 feet; thence along a non-tangent curve to the left having a delta of 12°23'49", a radius of 1750.00 feet, an arc of 378.64 feet and a long chord which bears North 62°26'10" East, 377.91 feet; thence North 56°14'15" East, 648.93 feet; thence along a curve to the right having a delta of 52°42'22", a radius of 1150.00 feet, an arc of 1057.88 feet and a long chord which bears North 82°35'26" East, 1020.97 feet; thence South 71°03'23" East, 341.67 feet; thence along a curve to the left having a delta of 21°28'42", a radius of 1250.00 feet, an arc of 468.58 feet and a long chord which bears South 81°47'44" East, 465.85 feet; thence North 87°27'55" East, 383.39 feet; thence along a curve to the right having a delta of 42°21'27", a radius of 1490.00 feet, an arc of 1101.52 feet and a long chord which bears South 71°21'22" East, 1076.61 feet; thence South 50°10'38" East, 409.81 feet; thence along a curve to the left having a delta of 18°01'45", a radius of 1250.00 feet, an arc of 393.34 feet and a long chord which bears South 59°11'30" East, 391.71 feet; thence South 68°12'23" East, 280.47 feet; thence along a curve to the left having a delta of 00°40'14", a radius of 1250.00 feet, an arc of 14.63 feet and a long chord which bears South 68°32'31" East, 14.63 feet to the Easterly line of the Southeast Quarter of said Section 4; thence Southerly along said Easterly line South 00°11'23" East, 1740.47 feet to the point of beginning of this description.

EXHIBIT B

Expansion Property

LEGAL DESCRIPTION

A portion of Sections 32 and 33 of Township 6 South, and a portion of Sections 4, 5, 8, and 9 of Township 7 South, Range 67 West of the Sixth Principal Meridian, Douglas County, Colorado, being described as follows: Beginning at the Southeast corner of the Southeast Quarter of said Section 4, said corner being the True Point Of Beginning of this description, and considering the East line of said Southeast Quarter to bear North 00°11'23" West, with all bearings contained herein relative thereto; thence Westerly along an existing fenceline, which deflects in a Southwesterly direction from the South line of said Southeast Quarter, South 89°19'47" West, 1214.65. feet to an existing fence corner; thence Southerly from said fence corner along an existing fenceline South 01°29'10" East, 1675.77 feet; thence departing said fenceline, South 49°05'48" West, 793.42 feet; thence North 40°54'12" West, 800.00 feet; thence North 89°44'12" West, 762.00 feet; thence North 37°44'12" West, 480.00 feet; thence North 01°34'12" West, 778.00 feet; thence North 35°15'48" East, 400.00 feet; thence North 71°44'12" West, 138.00 feet; thence North 50°29'12" West, 238.00 feet; thence North 70°14'12" West, 100.00 feet; thence North 87°59'12" West, 130.00 feet; thence North 58°44'12" West, 70.00 feet; thence South 46°08'27" West, 137.07 feet; thence South 48°55'18" West 326.16 feet; thence-South 47°34'13" West, 227.21 feet; thence along a curve to the right having a delta of 42°27'43", a radius of 600.00 feet, an arc of 444.66 feet, and a long 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°28'47", a radius of 1500.00 feet, an arc of 222.00 feet, and a long chord which bears South 85°47'32" West, 221.80 feet; thence South 81°33'09" West, 184.89 feet; thence along a curve to the right having a delta of 13°05'48", a radius of 1500.00 feet, an arc of 342.87 feet, and, a long chord which bears South 88°06'03" West, 342.12 feet; thence North 85°21'03" West, 534.88 feet; thence South 26°59'47" West, 616.64 feet; thence along a curve to the right having a delta of 31°54'00", a radius of 1500.00 feet, an arc of 835.14 feet, and a long chord which bears South 42°56'47" West, 824.40 feet; thence South 53°53'47" West, 670.82 feet to the Easterly, right-of-way line of Daniel's Park Road; thence Northerly along said Easterly line, along a non-tangent curve to the left having a delta of 15°17'58", a radius of 479.04 feet, an arc of 127.92 feet, and a long chord which bears North 06°25'05" East, 127.54 feet; thence North 01°13'54" West, 1490.28 feet; thence along a curve to the left having a delta of 31°29'30", a radius of 703.88 feet, an arc of 386.88 feet, and a long chord which bears North 16°58'39" West, 382.02 feet; thence North 32°43'24" West, 40.82 feet; thence along a curve to the right having a delta of 48°32'39", a radius of 302.65 feet, an arc of 256.42 feet, and a long chord which bears North 08°27'05" West, 248.82 feet; thence North 15°49'15" East, 418.21 feet; thence along a curve to the left having a delta of 26°49'49", a radius of 658.90 feet, an arc of 308.55 feet, and a long chord which bears North 02°24'20" East, 305.74 feet; thence North 11°00'34" West, 725.05 feet; thence along a curve to the right having a delta of 16°49'47", a radius of 814.98 feet, an arc of 239.39 feet, and a long chord which bears North 02°35'43" West, 238.53 feet; thence North 05°49'12" East, 94.91 feet; thence along a curve to the left having a delta of 85°31'26", a radius of 292.33 feet, an arc of 436.35 feet, and a long chord which bears North 36°56'27" West, 396.96 feet;

thence North 79°42'07" West, 21.10 feet; thence along a curve to the right having a delta of 29°12'30", a radius of 801.11 feet, an arc of 408.39 feet, and a long chord which bears North 65°05'53" West, 403.98 feet; thence North 50°29'41" West, 108.10 feet to the North line of the Southwest Quarter of said Section 5; thence Easterly along said North line, North 88°23'39" East, 621.46 feet to the Southwest corner of the Northeast Quarter of said Section 5; thence Northerly along the West line of. said Northeast Quarter North 01°53'09" East, 2468.86 feet to the Southwest corner of the Southeast Quarter of said Section 32; thence Northerly along the West line of the East Half of said Section 32 North 01°08'10" East, 2942.23 feet; thence departing said West line South 88°55'48" East 890.57 feet; thence North 51°08'30" East, 1441.01 feet; thence North 70°08'30" East, 1429.86 feet to the Southwesterly right-of-way line for Public Service Company of Colorado described in Book 159, page 132 and Book 158, Page 502 as filed with the Douglas County Clerk and Recorder; thence Southeasterly along said Southwesterly right-of-way line, South 33°20'36" East, 5234.60 feet to the North line of the Northeast Quarter of said Section 4; thence Easterly along said North line, North 89°53'51" East, 1664.02 feet to the Northeast corner of said Northeast Quarter; thence Southerly along the East line of said Northeast Quarter, South 00°14'34" East, 2505.17 feet to the Northeast corner of the Southeast Quarter of said Section 4; thence Southerly along the East line of said Southeast Quarter, South 00°11'23" East, 2521.51 feet to the true point of beginning of this description.

Less the following four described parcels:

1) That portion of the Public Service Company of Colorado right-of-way described in Book 156, Pages 243 and 467 as filed with the Douglas County Clerk and Recorder, located in the East half of Section 4, Township 7 South, Range 67 West of the Sixth Principal meridian, Douglas County, Colorado, being described as follows: Beginning at the Northeast corner of the Southeast Quarter of said Section 4 said corner being the True Point Of Beginning of this description and considering the East line of said Southeast Quarter to bear South 00°11'23" East, with all bearings contained herein relative thereto; thence Southerly along said East line, South 00°11'23" East, 60.32 feet; thence departing said Easterly line, North 33°10'07" West, 3061.28 feet to the North line of the Northeast Quarter of said Section 4; thence Easterly along said North line, North 89°53'51" East, 344.30 feet to the Northwest Corner of the East Half of the Northeast Quarter; thence Southerly along the West line of said East Half of the Northeast Quarter South 00°04'41" East, 50.81 feet; thence departing said West line, South 33°10'07" East, 2428.23 feet to the East line of said Northeast Quarter; thence Southerly along said East line, South 00°14'34" East, 419.40 feet to the true point of beginning of this description.

2) LEGAL DESCRIPTION

A portion of the Northeast Quarter and the South half of Section 5, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado, being described as follows: Beginning at the Southwest corner of the Northeast Quarter of said Section 5, said corner being the True Point of Beginning of this description and considering the Westerly line of said Northeast Quarter to bear North 01°53'09" East, with all bearings contained herein relative thereto; thence Northerly along said Westerly line North 01°53'09" East, 85.90 feet; thence departing said Westerly line South 87°43'29" East, 145.83 feet; thence South 64°53'24" East, 361.22 feet; thence South 40°03'04" East, 353.44 feet; thence South 28°53'20" East, 257.88 feet; thence South 64°28'50" East, 111.03 feet; thence North 58°41'18" East, 94.87 feet; thence North 03°23'59" East, 111.97 feet; thence North 21°38'54" West, 236.30 feet; thence North 02°46'31" West, 121.51 feet; thence North 29°00'54" East, 117.90 feet; thence South 61°57'05" East, 407.97 feet; thence along a curve to the left having a delta of 12°51'11", a radius of 2290.00 feet, an arc of 513.71 feet and a long chord which bears South 68°22'40" East, 512.64 feet; thence South 16°07'44" West, 262.29 feet; thence South 70°59'28" West, 130.27 feet; thence South 86°24'26" West, 370.29 feet; thence South 75°27'29" West, 175.28 feet; thence South 37°58'20" West, 116.05 feet; thence South 08°34'52" East, 170.45 feet; thence South 17°43'13" East, 265.29 feet; thence South 36°54'04" West, 169.44 feet; thence South 71°40'51" West, 176.76 feet; thence South 49°37'30" West, 375.33 feet; thence South 68°54'11" West, 347.75 feet to the Easterly right-of-way line of Daniels Park Road, thence Northerly along said Easterly right-of-way line along a non-tangent curve to the left having a delta of 17°55'25", a radius of 658.90 feet, an arc of 206.12 feet and a long chord which bears North 02°02'52" West, 205.28 feet; thence North 11°00'34" West, 725.05 feet; thence along a curve to the right having a delta of 16°49'47", a radius of 614.98 feet, an arc of 239.39 feet and a long chord which bears North 02°35'40" West, 238.53 feet; thence North 05°49'12" East, 94.91 feet; thence along a curve to the left having a delta of 85°31'22", a radius of 292.34 feet, an arc of 436.36 feet and a long chord which bears North 36°56'29" West, 396.97 feet; thence North 79°42'07" West, 21.10 feet; thence along a curve to the right having a delta of 29°12'30", a radius of 801.11 feet, an arc of 408.39 feet and a long chord which bears North 65°05'52" West, 403.98 feet; thence North 50°29'41" West, 108.10 feet to the Northerly line of the Southwest Quarter of said Section 5; thence Easterly along said Northerly line North 88°23'39" East, 621.46 feet to the true point of beginning of this description.

3) LEGAL DESCRIPTION

A portion of the North Half of Section 4, Township 7 South, Range 67 West of the Sixth Principal Meridian, Douglas County, Colorado being described as follows: Beginning at the Southeast corner of the Northeast Quarter of said Section 4 and considering the East line of said Northeast Quarter to bear North $00^{\circ}14'34''$ West with all bearings contained herein relative thereto; thence North $84^{\circ}53'21''$ West, 2500.64 feet to the True Point Of Beginning of this description; thence along a non-tangent curve to the right having a delta of $13^{\circ}28'22''$, a radius of 1151.00 feet, an arc of 270.42 feet and a long chord which bears North $77^{\circ}47'34''$ West, 269.79 feet; thence North $71^{\circ}03'23''$ West, 341.67 feet; thence along a curve to the left having a delta of $33^{\circ}51'14''$, a radius of 1250.00 feet, an arc of 738.58 feet and a long chord which bears North $87^{\circ}59'00''$ West, 727.88 feet; thence North $09^{\circ}11'28''$ East, 602.06 feet; thence North $36^{\circ}47'20''$ East, 214.86 feet; thence North $75^{\circ}33'09''$ East, 1025.32 feet; thence along a non-tangent curve to the left having a delta of $14^{\circ}35'18''$, a radius of 1890.00 feet, an arc of 481.22 feet and a long chord which bears South $00^{\circ}11'09''$ East, 479.92 feet; thence South $07^{\circ}43'52''$ East, 569.26 feet; thence along a curve to the right having a delta of $03^{\circ}30'11''$, a radius of 2826.00 feet, an arc of 172.78 feet and a long chord which bears South $06^{\circ}07'17''$ East, 172.75 feet to the true point of beginning of this description.

4) LEGAL DESCRIPTION

A portion of Sections 4 and 9 of Township 7 South, Range 67 West of the Sixth Principal Meridian, Douglas County, Colorado, being described as follows: Beginning at the Southeast Corner of the Southeast Quarter of said Section 4, said corner being the True Point of Beginning of this description, and considering the Easterly line of said Southeast Quarter to bear North 00°11'23" West, with all bearings contained herein relative thereto; thence Westerly along an existing fenceline, which deflects In a Southwesterly direction from the Southerly line of said Southeast Quarter, South 89°19'47" West, 1214.65 feet to an existing fence corner; thence Southerly from said fence corner along an existing fenceline South 01°29'10" East, 1675.77 feet; thence departing said fenceline, South 49°05'48" West, 793.42 feet; thence North 40°54'12" West, 800.00 feet; thence North 89°44'12" West, 762.00 feet; thence North 37°44'12" West, 480.00 feet; thence North 01°34'12" West, 778.00 feet; thence North 35°15'48" East, 400.00 feet; thence North 71°44'12" West, 138.00 feet; thence North 50°29'12" West, 238.00 feet; thence North 70°14'12" West, 100.00 feet; thence North 87°59'12" West, 130.00 feet; thence North 58°44'12" West, 70.00 feet; thence South 46°08'27" West, 137.07 feet; thence South 48°55'18" West, 326.16 feet; thence South 47°34'13" West, 100.00 feet; thence North 23°34'55" East, 427.81 feet; thence North 08°25'29" East, 296.62 feet; thence North 11°28'30" West, 261.21 feet; thence North 26°22'45" West, 195.09 feet; thence North 37°16'32" West, 340.38 feet, thence North 42°06'06" West, 500.00 feet; thence North 29°03'16" West, 200.00 feet; thence North 02°04'26" West, 170.00 feet; thence North 85°36'58" West, 244.32 feet; thence along a non-tangent curve to the left having a delta of 24°57'08", a radius of 591.10 feet, an arc of 257.42 feet and a long chord which bears North 07°54'26" West, 255.39 feet; thence North 20°23'01" West, 0.26 feet; thence along a non-tangent curve to the left having a delta of 12°23'49", a radius of 1750.00 feet, an arc of 378.64 feet and a long chord which bears North 62°26'10" East, 377.91 feet; thence North 56°14'15" East, 648.93 feet; thence along a curve to the right having a delta of 52°42'22", a radius of 1150.00 feet, an arc of 1057.88 feet and a long chord which bears North 82°35'26" East, 1020.97 feet; thence South 71°03'23" East, 341.67 feet; thence along a curve to the left having a delta of 21°28'42", a radius of 1250.00 feet, an arc of 468.58 feet and a long chord which bears South 81°47'44" East, 465.85 feet; thence North 87°27'55" East, 383.39 feet; thence along a curve to the right having a delta of 42°21'27", a radius of 1490.00 feet, an arc of 1101.52 feet and a long chord which bears South 71°21'22" East, 1076.61 feet; thence South 50°10'38" East, 409.81 feet; thence along a curve to the left having a delta of 18°01'45", a radius of 1250.00 feet, an arc of 393.34 feet and a long chord which bears South 59°11'30" East, 391.71 feet; thence South 68°12'23" East, 280.47 feet; thence along a curve to the left having a delta of 00°40'14", a radius of 1250.00 feet, an arc of 14.63 feet and a long chord which bears South 68°32'31" East, 14.63 feet to the Easterly line of the Southeast Quarter of said Section 4; thence Southerly along said Easterly line South 00°11'23" East, 1740.47 feet to the point of beginning of this description.