

89p
445^{ex}

DC9756420

**MASTER DECLARATION CREATING
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PLUM CREEK NORTH**

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0329 - \$445.00 - 1/ 89

TABLE OF CONTENTS

MASTER DECLARATION CREATING COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR PLUM CREEK NORTH

Article I DEFINITIONS 2

Article II PROPERTY RIGHTS 6

 2.1 Common Elements 6

 2.2 Limited Common Elements 7

 2.3 No Partition 8

 2.4 Condemnation 8

Article III MEMBERSHIP AND VOTING RIGHTS 8

 3.1 Membership 8

 3.2 Voting 8

 3.3 Neighborhoods 9

Article IV RIGHTS AND OBLIGATIONS OF THE ASSOCIATION 9

 4.1 Purpose of Association 9

 4.2 Common Elements 10

 4.3 Personal Property and Real Property for
 Common Use 10

 4.4 Rulemaking and Enforcement 10

 4.5 Implied Rights; Board Authority 11

 4.6 Governmental Interests 11

 4.7 Indemnification 11

Article V MAINTENANCE 12

 5.1 Association's Responsibility 12

 5.2 Owner's Responsibility 13

 5.3 Subassociation's Responsibility 13

 5.4 Standard of Performance 14

 5.5 Party Walls and Similar Structures 14

Article VI INSURANCE AND CASUALTY LOSSES 15

 6.1 Association Insurance 15

 6.2 Owners Insurance 18

Article VII ANNEXATION OF PROPERTY 19

 7.1 Annexation Without Approval of Membership 19

7.2	Annexation With Approval of Membership	20
7.3	Additional Covenants and Easements	20
Article VIII	ASSESSMENTS	20
8.1	Creation of Assessments	20
8.2	Obligations for Common Expenses	21
8.3	Computation of Common Expense Assessments	22
8.4	Computation of Neighborhood Assessments	23
8.5	Reserve Budget and Capital Contribution	24
8.6	Special Assessments	24
8.7	Specific Assessments	25
8.8	Effect of Non-Payment of Assessments, Remedies of the Association	25
8.9	Lien for Assessments	26
8.10	Date of Commencement of Assessments	27
8.11	Failure to Assess	27
8.12	Exempt Property	27
8.13	Working Capital Fund	27
Article IX	ARCHITECTURAL STANDARDS	27
9.1	General	27
9.2	Architectural Review	28
9.3	Guidelines and Procedures	29
9.4	No Waiver of Future Approvals	31
9.5	Variances	31
9.6	Limitation of Liability	31
9.7	Enforcement	31
Article X	USE RESTRICTIONS	32
10.1	Signs	32
10.2	Parking and Prohibited Vehicles	32
10.3	Occupants Bound	33
10.4	Animals and Pets	33
10.5	Quiet Enjoyment	33
10.6	Unsightly or Unkempt Conditions	33
10.7	Prohibited Conditions	34
10.8	Subdivision of Unit and Time Sharing	35
10.9	Firearms	35
10.10	Irrigation	35
10.11	Tents, Mobile Homes and Temporary Structures	36
10.12	Grading, Drainage and Septic Systems	36
10.13	Sight Distance at Intersections	36
10.14	Wetlands, Lakes, and Other Water Bodies	36

10.15	Business Use	36
10.16	Leasing of Units	37
10.17	Laws and Ordinances	37
10.18	Single Family Occupancy	37
10.19	Water and Mineral Operations	37
10.20	Residential Dwelling	37
Article XI	EASEMENTS	38
11.1	Easements of Encroachment	38
11.2	Easements for Utilities, Etc.	38
11.3	Easements to Serve Additional Property	39
11.4	Easements for Maintenance, Emergencies and Enforcement	39
11.5	Easements for Lake and Pond Maintenance and Flood Water	39
11.6	Easements for Golf Course	39
Article XII	MORTGAGEE PROVISIONS	40
12.1	Notices of Action	40
12.2	Special FHLMC Provision	41
12.3	Other Provisions for First Lien Holders	42
12.4	Amendments to Documents	42
12.5	No Priority	43
12.6	Notice to Association	43
12.7	Failure of Eligible Holders to Respond	43
12.8	Construction of Article XII	43
12.9	HUD/VA Approval	43
Article XIII	SPECIAL DECLARANT RIGHTS	44
13.1	Special Declarant Rights	44
13.2	Transfer of Special Declarant Rights	46
13.3	Models, Sales Offices, and Management Offices	46
13.4	Construction of Improvements	46
13.5	Other Covenants Prohibited	47
13.6	Master Planned Community	47
13.7	Equal Treatment	47
Article XIV	DISPUTE RESOLUTION AND LIMITATION ON LITIGATION	48
14.1	Agreement to Avoid Litigation	48
14.2	Claims	48
14.3	Mandatory Procedures	49
14.4	Allocation of Costs of Resolving Claims	50
14.5	Enforcement of Resolution	51

Article XV	PRIVATE AMENITIES	51
15.1	General	51
15.2	Conveyance of Private Amenities	51
15.3	View Impairment	51
15.4	Rights of Access and Parking	52
15.5	Limitations on Amendments	52
15.6	Jurisdiction and Cooperation	52
Article XVI	GENERAL PROVISIONS	52
16.1	Duration	52
16.2	Amendment	53
16.3	Severability	54
16.4	Litigation	54
16.5	Cumulative Effect; Conflict	54
16.6	Use of the Words "Plum Creek Villages" or or "Plum Creek North"	54
16.7	Compliance	54
16.8	Notice of Sale or Transfer of Title	55

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0333 - \$445.00 - 5/ 89

**MASTER DECLARATION CREATING
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS**

FOR

PLUM CREEK NORTH

THIS MASTER DECLARATION CREATING COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS for Plum Creek North is made this 5th day of September, 1997, by Holmby Leisure Country Club, Ltd., a Colorado corporation (the "Declarant").

Declarant and the other signatories to this Declaration are the owners of the real property described in Exhibit "A," which is attached and incorporated by reference. This Declaration imposes upon the Properties (as defined in Article I below) located in Douglas County, Colorado mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties, and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance thereof, this Declaration provides for the Plum Creek North Master Homeowners Association, Inc. (the "Association") to own, operate and maintain Areas of Common Responsibility (as defined below), and to administer and enforce the provisions of this Declaration, the By-Laws, the Design Guidelines (except where Design Guidelines authority is delegated to a Subassociation under Section 4.1), and the rules adopted pursuant to this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article I below) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

This document is prepared pursuant to the Colorado Common Interest Ownership Act, Colorado Revised Statutes §38-33.3-101, et seq. ("Act") and establishes a Planned Community as defined in the Act.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0334 - \$445.00 - 6/ 89

Article I
DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. "Articles of Incorporation" or "Articles": The Articles of Incorporation of Plum Creek North Master Homeowners Association, Inc., as filed with the Secretary of State of the State of Colorado.

1.2. "Association": Plum Creek North Master Homeowners Association, Inc., a Colorado nonprofit corporation, its successors or assigns.

1.3. "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in Article XIII and generally serving the same role as the board of directors under Colorado corporate law.

1.4. "Builder": Any Person which purchases one or more Units for the purpose of constructing improvements for later sale to consumers or purchases one or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business.

1.5. "By-Laws": The By-Laws of Plum Creek North Master Homeowners Association, Inc., as they may be amended.

1.6. "Common Elements": All real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

1.7. "Common Expense Liability and Votes in the Association Allocated to Each Unit": The Allocated Interest of each Unit shall be equal to a fraction, the numerator of which is one, and the denominator of which is the total number of Units within the Common Interest Community from time to time.

1.8. "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles of Incorporation. Common Expenses shall not include any expenses incurred during the Development Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Unit Owners representing at least a majority of the votes in the Association, excluding the Declarant's votes.

1.9. "Common Interest Community": The Properties described in this Declaration, as supplemented and amended from time to time, with respect to which a Person by virtue of such Person's ownership of a Unit, is obligated to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in this Declaration.

1.10. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall be originally established by the Declarant and may be subsequently determined by the Board of Directors and the Architectural Control Committee as set forth in Article IX.

1.11. "Covenant to Share Costs": One or more agreements creating easements and a covenant to share costs executed by Declarant and recorded in the Public Records setting forth certain easements for the benefit of the Association and the present and future owners of the real property subject thereto, and which obligates the Association and such owners to share the costs of maintaining certain property described therein. For purposes of illustration, and not limitation, the Association shall enter into a Covenant to Share Costs with the Plum Creek Master Homeowners Association, Inc. respecting the entry feature and landscaping into the community.

1.12. "Declarant": Holmby Leisure Country Club, Ltd., a Colorado corporation, or any successor, successor-in-title, or assignee who takes title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

1.13. "Declarant Control Period": The period of time during which the Declarant is entitled to appoint a majority of the members of the Board of Directors as provided in Article XIII.

1.14. "Design Guidelines": The design and construction guidelines and application and review procedures applicable to the Properties promulgated and administered pursuant to Article IX.

1.15. "Development Period": The period of time during which the Declarant is entitled to exercise Development Rights and Special Declarant Rights. The Development Period shall commence upon the recording of this Declaration and shall continue so long as the Declarant owns any property described on Exhibit "A" or "B," unless such Development Period is subsequently limited by the Act, in which case the Development Period shall terminate 10 years from the date this Declaration is recorded unless reinstated or extended by agreement between Declarant and the Association, subject to such terms as the Board may impose upon the subsequent exercise by Declarant of the Special Declarant Rights.

1.16. "Development Rights": The rights which are hereby reserved by the Declarant to (a) submit additional property to this Declaration, (b) create Units, Common Elements, or

Limited Common Elements, in connection with the addition of such property (c) subdivide Units owned by Declarant or convert Units owned by Declarant into Common Elements or Limited Common Elements, and (d) withdraw real estate owned by Declarant from the Common Interest Community. All of these Development Rights shall apply to all of the Properties. All of these Development Rights may be exercised at any time during the Development Period. These Development Rights may be assigned by Declarant.

1.17. "Executive Board": Board of Directors of the Association.

1.18. "Limited Common Elements": A portion of the Common Elements intended for the exclusive use or primary benefit of one or more, but less than all, Neighborhoods, Subassociations, or Units, as more particularly described in Article II.

1.19. "Master Plan": The land use plan for the development of Plum Creek P.U.D. and approved by the Town of Castle Rock, as it may be amended from time to time, which plan includes the property described on Exhibit "A" and all or a portion of the property described on Exhibit "B" that Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article VII.

1.20. "Member": A Person entitled to membership in the Association pursuant to Section 3.1.

1.21. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to a Unit. A "Mortgagee" is the beneficiary or holder of a Mortgage.

1.22. "Neighborhood": Each separately developed residential area within the Properties whether or not governed by a Subassociation (as defined below), in which the Owners of Units may have common interests other than those common to all Members of the Association. For example, and by way of illustration and not limitation, a condominium, townhome development, cluster home development, or single-family detached housing development may constitute a separate Neighborhood, or a Neighborhood may be comprised of more than one housing type with other features in common. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one Neighborhood upon development.

1.23. "Neighborhood Assessments": Assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Sections 8.1 and 8.4.

1.24. "Neighborhood Expenses": The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Units within a

particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, as the Board may specifically authorize from time to time and as may be authorized herein or in Supplemental Declarations applicable to such Neighborhood(s).

1.25. "Owner": One or more Persons, which may include the Declarant, who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

1.26. "Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.27. "Plat": That part of the Declaration that is a land survey plat as set forth in C.R.S. 38-51-105, that depicts all or any portion of a Common Interest Community in two dimensions, is executed by the Declarant, and is recorded in the real estate records of Douglas County, Colorado.

1.28. "Private Amenities": The Plum Creek Golf and Country Club and the Plum Creek Recreation Club, including real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, which are privately owned and operated by Holmby Leisure Country Club, Ltd, or Persons other than the Association for recreational and related purposes, on a club membership basis or otherwise.

1.29. "Properties": The real property described on Exhibit "A," together with such additional property as may be subjected to this Declaration in accordance with Article VII. The Properties shall also be referred to as Plum Creek North.

1.30. "Public Records": The Office of the Clerk and Recorder of Douglas County, Colorado.

1.31. "Special Assessment": Assessments levied in accordance with Section 8.6.

1.32. "Special Declarant Rights": The rights of Declarant set forth in Article XIII.

1.33. "Specific Assessment": Assessments levied in accordance with Section 8.7.

1.34. "Subassociation": Any condominium association or other unit owners association organized under Section 38-33.3-301 of the Act, which shall have concurrent jurisdiction over any Neighborhood.

1.35. "Supplemental Declaration": An amendment to this Declaration filed in the Public Records.

1.36. "Unit": Any separately numbered lot or parcel shown upon any subdivision map or Plat of the real property described on the attached Exhibit "A", or any other separately numbered lot or parcel of real estate which is hereafter created and brought within the jurisdiction of the Association.

1.37. "Units that May Be Created": One thousand four hundred (1,400) Units, which shall be the maximum number of Units that may be subject to the Declaration, including the Units within the real estate described on attached Exhibit "A" and those Units which may be subsequently created within the property described on Exhibit "A" or "B" to this Declaration.

Article II
PROPERTY RIGHTS

2.1. Common Elements. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Elements, subject to:

- (a) This Declaration and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Elements, including rules limiting the number of guests who may use the Common Elements;
- (d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Elements (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, any applicable Supplemental Declaration, the By-Laws, or rules of the Association after notice and a hearing pursuant to the By-Laws;
- (e) The right of the Association, acting through the Board, to dedicate or transfer all of any part of the Common Elements, subject to such approval requirements as may be set forth in the Declaration or the Act;
- (f) The right of the Board to impose reasonable membership requirements and charge reasonable admission or other user fees for the use of any recreational facility situated upon the Common Elements;

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0339 - \$445.00 - 11/ 89

(g) The right of the Board to permit use of any recreational facilities situated on the Common Elements by persons other than Owners, their families, lessees and guests upon payment of user fees established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the limitations of the Act, and subject to the approval requirements set forth in Section 12.9; and

(i) The rights of certain Owners to the exclusive use of those portions of the Common Elements designated "Limited Common Elements," as more particularly described in Section 2.2.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

2.2. Limited Common Elements. Certain portions of the Common Elements may be designated as Limited Common Elements and reserved for the exclusive use or primary benefit of Owners and occupants of less than all of the Units subject to the Declaration or for the use of Units within a particular Neighborhood or Neighborhoods. By way of illustration and not limitation, Limited Common Elements may include entry features, recreational facilities, landscaped medians and cul-de-sacs, and other portions of the Common Elements within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of Limited Common Elements shall be assessed as a Neighborhood Assessment against the Owners of Units in the Neighborhood(s) to which the Limited Common Elements are assigned.

Initially, any Limited Common Elements shall be designated as such and identified in Exhibit "A," in a Supplemental Declaration pertaining to such Limited Common Elements, in the deed by which the Declarant conveys the Limited Common Elements to the Association, or on the Plat relating to such Limited Common Elements; provided, any such assignment shall not preclude the Declarant from later unilaterally assigning use of the same Limited Common Elements to additional Units and/or Neighborhoods during the Development Period. Thereafter, any assignment or reassignment of the Limited Common Elements shall be made in accordance with the requirements of the Act, if any.

The Association may, upon approval of a majority of the members of a Neighborhood committee or board of directors of the Subassociation for the Neighborhood(s) to which any Limited Common Elements are assigned, permit Owners of Units in other Neighborhoods to use all or a portion of such Limited Common Elements upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Limited

Common Elements. Granting such permission shall not constitute a reallocation or reassignment of interest in such Limited Common Elements.

2.3. No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Elements. No Person shall seek any judicial partition unless the portion of the Common Elements which is the subject of such partition action has been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

2.4. Condemnation. If any part of the Common Elements shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least 80% of the total votes in the Association and with the Declarant's consent during the Development Period) by any authority having the power of condemnation or eminent domain the condemnation proceeds shall be disbursed as follows:

If the taking involved a portion of the Common Elements on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Elements to the extent available, unless within 60 days after taking, a majority of the Unit Owners, and Declarant during the Development Period, shall otherwise agree. Any such provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any improvements on the Common Elements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

Article III MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Every Owner of a Unit shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in the Articles of Incorporation or the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural Person may be exercised by any officer, director, partner, trustee, manager, or by the individual designated from time to time by the Owner in written instrument provided to the Secretary of the Association.

3.2. Voting. The Association shall have one class of voting membership composed of all Owners.

(a) Each Owner shall have one equal vote for each Unit in which it holds the interest required for membership under Section 3.1; provided, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt for assessment under Section 8.12.

(b) The Declarant shall cast all votes allocated to Units owned by the Declarant.

3.3. Neighborhoods. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of a Subassociation in addition to the Association. However, a Subassociation shall not be necessary except in the case of a condominium regime or as otherwise required by law.

Any Neighborhood may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood and, subject to Board approval and upon the affirmative vote, written consent, or a combination thereof, of Owners of a majority of the Units within the Neighborhood, the Association shall provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge shall apply at a uniform rate per Unit to all Neighborhoods receiving the same service), shall be assessed against the Units within such Neighborhood Assessment pursuant to Article VIII hereof.

Exhibit "A" to this Declaration, and each Supplemental Declaration filed to subject additional property to this Declaration, may initially assign the property described therein to a specific Neighborhood (by name or other identifying designation), which Neighborhood may be then existing or newly created. Except as limited by 38-33.3-217(4), C.R.S., during the Development Period, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration from time to time to redesignate Neighborhood boundaries.

Article IV **RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

4.1 Purpose of the Association.

(a) The Association shall have all of the powers which an association may have pursuant to the Colorado Common Interest Ownership Act, the Colorado Nonprofit Corporation Act, and other applicable law. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Elements. The Association shall be responsible for the enforcement of this Declaration and for promulgating such rules regulating the Common Elements. The Association shall also be responsible for administering

and enforcing the architectural controls and standards set forth in this Declaration, and in any Design Guidelines adopted by the Association.

(b) The Association may, at its discretion, delegate the responsibility for adopting design guidelines, and administration and enforcement of architectural standards and controls (Design Guidelines Authority) to one or more Subassociations for application to property within the jurisdiction of the Subassociation or to one or more Neighborhood architectural control committees (NACC), which are more particularly described in Article IX hereof. The Association and the Subassociations shall perform their functions in accordance with this Declaration, the Bylaws, the Articles, and the laws of the State of Colorado.

4.2. Common Elements. The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Elements and all improvements thereon (including, without limitation, furnishings, equipment, and other personal property of the Association used in connection with the Common Elements), and shall keep them in good, clean, attractive, and sanitary condition, order, and repair, pursuant to this Declaration and the By-Laws and consistent with the Community-Wide Standard. The Board is specifically authorized, but not obligated, to retain or employ professional management to assist in carrying out the Association's responsibilities under this Declaration, the cost of which shall be a Common Expense.

4.3 Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, subject to the limitations of the Act, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the properties described in Exhibits "A" or "B", personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association.

4.4 Rulemaking and Enforcement.

(a) Rulemaking. The Association, through the Board, may make and enforce reasonable rules governing the use of the Properties, consistent with the rights and duties established by this Declaration and the By-laws. Such rules shall be binding upon all Owners, occupants, invitees, and licensees, if any, until and unless overruled, cancelled, or modified in a regular or special meeting of the Association by the vote of the Unit Owners representing a majority of the total votes in the Association.

(b) Enforcement. The Association may impose sanctions for violations of this Declaration, any applicable Supplemental Declaration, the By-Laws, or Association rules in accordance with procedures set forth in the By-Laws, including reasonable monetary fines and suspension of the right to vote and to use any recreational facilities within the Common

Elements. In addition, in accordance with the By-Laws, the Association may exercise self-help to cure violations and may suspend any services it provides to the Unit of any Owner who is more than 30 days delinquent in paying any assessment or other charge due to the Association. All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this Declaration or Association rules, if the Association prevails it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and permit the Town of Castle Rock to enforce ordinances on the Properties for the benefit of the Association and its Members.

4.5 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.6 Governmental Interests. For so long as the Declarant owns any property described on Exhibits "A" or "B", the Declarant may designate sites within the Properties for fire, police, and utility facilities, public schools and parks, and other public or quasi-public facilities. The sites may include Common Elements. Any conveyance or encumbrance of Common Elements shall be in compliance with the Act.

4.7 Indemnification. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, by any Neighborhood committee in connection with its obligations and responsibilities hereunder or under any other covenants affecting the Properties.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0344 - \$445.00 - 16/ 89

Article V
MAINTENANCE

5.1 Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Common Elements, which may include, but need not be limited to:

(i) all landscaping and other flora, parks, lakes, structures, and improvements, including any private streets, bike and pedestrian pathways/trails, situated upon the Common Elements;

(ii) landscaping within public rights-of-way within or abutting the Properties;

(iii) such portions of any additional property included within the Common Elements, including without limitation, dedicated open space and areas which may be dictated by this Declaration, any Supplemental Declaration, the Covenant to Share Costs, or any contract or agreement for maintenance thereof entered into by the Association;

(iv) all ponds, streams and/or wetlands located within the Properties which serve as part of the drainage and storm water retention system for the Properties; and

(v) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Common Elements and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may assume maintenance responsibility for property within any Neighborhood, either by agreement with the Neighborhood 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. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(b) There are hereby reserved to the Association easements over the Properties as necessary to enable the Association to fulfill such responsibilities. The

Association shall maintain the facilities and equipment within the Common Elements in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Unit Owners representing at least 75% of the votes in the Association agree in writing to discontinue such operation.

Except as provided above, the Common Elements shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of the Declarant during the Development Period.

(c) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Common Elements shall be a Common Expense to be allocated among all Units as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Common Elements pursuant to this Declaration, the Covenant to Share Costs, other recorded covenants, or agreements with the owner(s) thereof. All costs associated with maintenance, repair and replacement of Limited Common Elements shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Limited Common Elements are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

5.2 Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless, in the case of a Unit, such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.7. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3 Subassociation's Responsibility. Any Subassociation whose common property is adjacent to any portion of the Common Elements upon which a wall, other than a wall which forms part of a building, is constructed shall maintain and irrigate that portion of the Common Elements between the wall and the Subassociation's property line. Any Subassociation whose common property fronts on any roadway within the Properties shall maintain and irrigate the landscaping on that portion of the Common Elements or right-of-way between the property line and the nearest curb of such roadway. Any Subassociation whose common property abuts the bank or water's edge, or abuts a portion of the Common Elements abutting the bank or water's edge, of any river, pond, stream, or wetland area within the Properties shall maintain and irrigate all landscaping between the boundary of its common property and such bank or water's

edge; provided, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval pursuant to Article IX.

Any Subassociation having responsibility for maintenance within a particular Neighborhood pursuant to additional covenants applicable to such Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If it fails to do so, the Association may perform such responsibilities and assess the costs as a Specific Assessment against all Units within such Neighborhood as provided in Section 8.7.

5.4 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association, and/or an Owner and/or a Subassociation shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.5 Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

(e) Disputes. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XIV.

Article VI
INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering the full replacement under current building codes and ordinances for all insurable improvements on the Common Elements, and on other portions of the Common Elements to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. The Association shall have the authority to insure, and interest in insuring, any property for which it has maintenance or repair responsibility, regardless of ownership;

(ii) Commercial general liability insurance on the Common Elements, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than such amount as is required by the Colorado Common Interest Ownership Act as it may be amended from time to time. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable.

In addition, the Association may obtain and maintain property insurance on the insurable improvements within any Neighborhood in such amounts and with such coverages as the Owners in such Neighborhood may agree upon pursuant to Section 3.3. Any such

policies shall provide for a certificate of insurance to be furnished to the Subassociation or Neighborhood committee, as applicable, and to the Owner of each Unit insured.

Premiums for all insurance on the Common Elements shall be Common Expenses and shall be included in the Base Assessment, except that (i) premiums for property insurance obtained on behalf of a Neighborhood shall be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment; and (ii) premiums for insurance on Limited Common Elements may be included in the Neighborhood Assessment of the Neighborhood(s) benefitted unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. The Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Denver area.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured and to the Association.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.7.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Colorado which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Elements shall be for the benefit of the Association and its Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners of Units within the Neighborhood and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

- (iv) contain an inflation guard endorsement;
- (v) include an agreed amount endorsement, if the policy contains a co-insurance clause;
- (vi) provide that each Unit Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association;
- (vii) provide a waiver of subrogation under the policy against any Unit Owner or household member of a Unit Owner; and
- (viii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and
- (ix) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Unit Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

- (i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;
- (ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- (iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;
- (iv) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;
- (v) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) **Damage and Destruction.** Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the

Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for charges or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Elements shall be repaired or reconstructed unless Unit Owners representing at least 80% of the total votes in the Association, and the Declarant during the Development Period, decide within 60 days after the loss not to repair or reconstruct. In addition, if the damage is to the Limited Common Elements, 100% of the Owners of Units to which such Limited Common Elements are assigned must vote not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Elements shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Elements shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be distributed among all Unit Owners, if such proceeds are for Common Elements, or among Unit Owners in a Neighborhood, if such proceeds are for Limited Common Elements.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2 Owners Insurance. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless either the Subassociation (if any) for the Neighborhood in which the Unit is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of the Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Unit and the Owner thereof pursuant to Section 8.7.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IX. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall apply to any Subassociation responsible for Common Elements within the Neighborhood in the same manner as if the Subassociation were an Owner and the Common Elements were a Unit. Additional recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Units within such Neighborhood and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

Article VII **ANNEXATION OF PROPERTY**

7.1. Annexation Without Approval of Membership. The property described on Exhibits "A" and "B" has a maximum zoned density for creating one thousand four hundred (1,400) Units, which Declarant reserves the right to create. Until all property described on Exhibit "B" has been subjected to this Declaration or the expiration of the Development Period, whichever is earlier, Declarant reserves the right, but not the obligation, to unilaterally subject to the provisions of this Declaration all or any portion of the real property described in Exhibit "B." The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Declarant. Declarant reserves the right, but not the obligation, to annex additional property not described in Exhibits "A" or "B" to the extent allowed by the Act.

Annexation shall be accomplished by filing in the Public Records a Supplemental Declaration describing the property being annexed. Any Supplemental Declaration under this section shall comply with such provisions of the Act as may be applicable. Such Supplemental Declaration shall not require the consent of the Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Units within such portions of the property described on Exhibit "B" which are subjected to this Declaration, if any, shall be allocated voting rights and liability for assessments on the same basis as the Units within the property described on Exhibit "A."

It is the Declarant's intent to develop the property described on Exhibits "A" and "B" to this Declaration in "legal phases." During the Development Period, each parcel of land subjected to this Declaration may be further subdivided by the recording of additional Plats

subdividing such parcel into two or more Units. A "legal phase," for purposes of this Declaration, shall consist of all property shown on a single page of a Plat which subdivides a parcel subject to this Declaration into two or more Units.

7.2. Annexation With Approval of Membership. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Unit Owners representing at least 67% of the total votes in the Association, and the consent of the Declarant during the Development Period.

Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.3. Additional Covenants and Easements. During the Development Period, the Declarant may unilaterally subject any portion of the property submitted to this Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through Neighborhood Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the Owner(s) of such property, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property to reflect the different character and intended use of such property.

Article VIII **ASSESSMENTS**

8.1. Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be the following types of assessments: (a) Common Expenses Assessments for the general benefit of all Units; (b) Neighborhood Assessments for Neighborhood Expenses benefitting only Units within a particular Neighborhood or Neighborhoods; (c) Special Assessments as described in Section 8.6; and (d) Specific Assessments as described in Section 8.7. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest (computed from the due date of such assessment at the maximum rate allowed by the Act), late charges established by Board resolution, costs, and reasonable attorney's fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 8.8. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, also

shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, within 10 business days after receipt of a written request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such a certificate.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title of a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Common Expense Assessments and any Neighborhood Assessment shall be due and payable in advance on the first day of the fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

No Owner may exempt himself from liability for assessments by non-use of Common Elements, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or the Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from making of repairs or improvements, or from any other action it takes.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other entities for payment of Common Expenses.

8.2. Obligations for Common Expenses.

8.2.1. Declarant's Obligation for Common Expenses. Until the Association establishes a budget and levies assessments, the Declarant shall pay the Association's Common Expenses. After assessments commence as provided in Section 8.9, the Declarant's obligations may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0354 - \$445.00 - 26/ 89

8.2.2. Builder's Obligation for Common Expenses and Neighborhood Expenses.

Any Builder who purchases Units from the Declarant expressly assumes Declarant's responsibility to pay Common Expenses and Neighborhood Expenses relating to or in any way connected with the Units purchased, and further agrees to hold harmless and to indemnify the Declarant from any and all claims, causes of action, or liabilities relating to such Common Expense obligation of Declarant.

8.3. Computation of Common Expense Assessments.

8.3.1. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.5.

8.3.2. (a) Common Expense Assessments shall be assessed to each Unit on the basis of a fraction in which the numerator is one and the denominator is the total number of Units within the Properties, as such total number of Units exist as of the date of this Declaration or are changed by annexation of additional land to the Properties from time to time pursuant to the provisions of Article VII hereof.

(b) Provided, however, that Units which have never been issued a certificate of occupancy for a residential dwelling shall be assessed at a rate of ten percent (10%) of the rate assessed all other Units. In designating the annual Common Expense Assessments, the Board shall take into account the estimated average number of Units subject to this subparagraph (b) for the assessment year and reduce accordingly the amount of Common Expense Assessments assessed against the class of Units subject to subparagraph (a). Units assessed pursuant to this Subparagraph (b) shall become subject to assessment pursuant to the above Subparagraph (a) in the month or quarter (depending upon the assessment installment period selected by the Board) following the date on which a building permit is issued for the Unit.

(c) Provided further, however, that (i) any Common Expense Assessments associated with the maintenance, repair, or replacement of a Limited Common Element may, at the discretion of the Board, be assessed against the Unit(s) to which that Limited Common Element is assigned, equally unless otherwise set forth herein; (ii) any Common Expense Assessments or portion thereof benefitting fewer than all of the Units may, at the discretion of the Board, be assessed exclusively against the Unit(s) benefitted; and (iii) the costs of insurance may be assessed in proportion to risk, and the costs of utilities may be assessed in proportion to usage.

8.3.3. Common Expense Assessments shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the total funds to be generated through the levy of Common Expense Assessments, the Board, in its discretion, may consider other sources of

funds available to the Association, including any surplus from prior years and any assessment income expected to be generated from any additional Units reasonably anticipated to become subject during the fiscal year.

8.3.4 During the Development Period, the Declarant may, but shall not be obligated to, reduce the Common Expense Assessments for any fiscal year by payment of a subsidy, which may be treated as either a contribution or an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy, shall be conspicuously disclosed as a line item in the Common Expense budget. Under no circumstances shall Declarant be obligated to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

8.3.5 The Board shall send a copy or summary of the budget and notice of the amount of the Common Expense Assessments for the following year to each Owner within 30 days after the adoption of such proposed budget and set a date for an Owners' Meeting to consider ratifying the budget not less than 14 nor more than 30 days from the date of mailing. Such budget and assessment shall become effective unless disapproved at a meeting by Unit Owners representing at least 75% of the total vote in the Association. A quorum is not required for the budget meeting to be valid. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

8.4. Computation of Neighborhood Assessments.

8.4.1 At least 60 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected, to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association and, upon approval of Owners in accordance with Section 3.3, any additional costs shall be added to such budget. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of capital items maintained as a Neighborhood Expense, if any, within the Neighborhood.

8.4.2 (a) Neighborhood Assessments shall be assessed to each Unit on the basis of a fraction in which the numerator is one and the denominator is the total number of Units within the Neighborhood, as such total number of Units exist as of the date of this Declaration or are changed by annexation of additional land to the Neighborhood from time to time pursuant to the provisions of Article VII hereof.

(b) Provided, however, that Units which have never been issued a certificate of occupancy for a residential dwelling shall be assessed at a rate of ten percent

(10%) of the rate assessed all other Units. In designating the annual Neighborhood Assessments, the Board shall take into account the estimated average number of Units subject to this Subparagraph (b) for the assessment year and reduce accordingly the amount of Neighborhood Assessments assessed against the class of Units subject to Subparagraph (a). Units assessed pursuant to this Subparagraph (b) shall become subject to assessment pursuant to the above Subparagraph (a) in the month or quarter (depending upon the assessment installment period selected by the Board) following the date on which a building permit is issued for the Unit.

(c) Provided further, however, that (i) any Neighborhood Assessment associated with the maintenance, repair, or replacement of a Limited Common Element may, at the discretion of the Board, be assessed against the Unit(s) to which that Limited Common Element is assigned, equally unless otherwise set forth herein; (ii) any Neighborhood Assessment or portion thereof benefitting fewer than all of the Units may, at the discretion of the Board, be assessed exclusively against the Unit(s) benefitted; and (iii) the costs of insurance may be assessed in proportion to risk, and the costs of utilities may be assessed in proportion to usage.

8.4.3 The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner of a Unit in the Neighborhood with the budget and notice for Common Expense Assessments and a meeting shall be held as provided in Section 8.3 for Owners within such Neighborhood. Such budget and assessment shall become effective unless disapproved by Owners of at least 75% of the Units in the Neighborhood to which the Neighborhood Assessment applies. The right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

8.5. Reserve Budget and Capital Contribution. The Board shall annually prepare reserve budgets for both general and Neighborhood purposes which take into account the number and nature of replaceable assets within the Common Elements, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the proposed needs of the Association, as shown on the budget, with respect both to amount and timing by annual Common Expense Assessments or Neighborhood Assessments, as appropriate over the budget period.

8.6. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the

affirmative vote or written consent of Unit Owners representing at least 51% of the total votes allocated to Units which will be subject to such Special Assessment, and the consent of the Declarant during the Development Period. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.7. Specific Assessments. The Association shall have the power to levy Specific Assessments against particular Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing the benefits, items, or services to the Unit or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, janitorial service, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Unit into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the By-Laws, or rules, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing before levying any Specific Assessment under this subsection (b).

The Association may also levy a Specific Assessment against the Units within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules, provided the Board gives prior written notice to the Owners of Units in the Neighborhood and an opportunity for such Owners to be heard before levying any such assessment.

8.8. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment installment, which is not paid on or before the due date shall be delinquent. If the assessment installment becomes delinquent, the Association, in its sole discretion, may take any of the following actions:

(a) Assess a late charge on each delinquency in such amount as the Executive Board deems appropriate;

(b) Assess an interest charge from the due date at the rate of 21 percent per annum or such other lawful rate as the Executive Board may establish;

(c) Suspend the voting rights of the Owner during any period of delinquency;

(d) Accelerate all remaining assessment installments so that unpaid assessments for the remainder of the fiscal year shall be due and payable at once;

(e) Bring an action at law against any owner personally obligated to pay the delinquent assessments; and

(f) Proceed with foreclosure of the lien for assessment, as set forth in more detail below.

8.9. Lien for Assessments. The Association shall have an automatic statutory lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Colorado law), and costs of collection (including attorneys fees). Such lien shall be perfected upon the recordation of this Declaration and no further claim of lien shall be required. Such lien shall be superior to other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Notwithstanding the foregoing, the Association's lien for delinquent assessments shall be prior to a First Mortgage of record to the extent of:

(a) An amount equal to the Common Expenses based on the Association's annual budget as provided in Section 8.3 which would have come due in the absence of acceleration, during the six months immediately preceding institution of an action to enforce the lien; and

(b) Attorneys' fees and costs being incurred in an action to enforce the lien.

Such lien, when delinquent, may be enforced in the same manner as provided for the foreclosure of Mortgages under the laws of the State of Colorado.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer, except as provided in Sections 8.9(a) and 8.9(b). Assessments in excess of the super-priority amount provided in Sections 8.9(a) and 8.9(b) shall be deemed to be Common Expenses collectible from Owners

of all Units subject to assessment under Section 8.10, including such acquirer, its successors and assigns.

8.10. Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Common Expense Assessments and Neighborhood Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

8.11. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail 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 Common Expense Assessments and Neighborhood Assessments on the same basis as during the last year for which an assessment is made, if any, until a new assessment is levied, at the time the Association may retroactively assess any shortfalls in collections.

8.12. Exempt Property. The following property shall be exempt from payment of Common Expense Assessments, Neighborhood Assessments, and Special Assessments.

(a) All Common Elements;

(b) Any property dedicated to and accepted by any governmental authority or public utility; and

(c) Property owned by any Subassociation for the common use and enjoyment of its members.

8.13. Working Capital Fund. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to two months of the Common Expense Assessments for the Unit for that year. This amount shall be in addition to, not in lieu of, the annual Common Expense Assessments and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws.

Article IX **ARCHITECTURAL STANDARDS**

9.1. General. No structure shall be placed, erected, or installed upon any Unit, and no improvements (including staking, clearing, excavation, grading and other site work, exterior

alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article, and with the approval of the Architectural Control Committee or the Neighborhood Architectural Control Committee under Section 9.2 or the Subassociation to whom the Association delegated Design Guidelines authority under Section 4.1. Notwithstanding this, the Board may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

9.2. Architectural Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications of construction and modifications under this Article shall be handled by the Architectural Control Committee (ACC) or a Neighborhood Architectural Control Committee (NACC) or a Subassociation to whom Design Guideline Authority was delegated under Section 4.1. The members of the ACC or NACC need not be Members of the Association, or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the committee in having any application reviewed by architects, engineers, and other professionals.

The ACC shall consist of at least three, but not more than five, persons and shall have exclusive jurisdiction over all original construction and modifications, additions or alterations made on or to existing structures on any portion of the Properties, except as Design Guideline Authority was delegated to a Subassociation under Section 4.1. Until all of the Units that May Be Created have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the ACC who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board may appoint the members of the ACC, who shall thereafter serve and may be removed in the Board's discretion.

The NACC shall consist of at least three, but not more than five, persons and shall have exclusive jurisdiction over all original construction and modifications, additions or alterations made on or to existing structures on any portion of a specific Neighborhood. Where such authority has been delegated to an NACC, until all of the Units that May Be Created have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the NACC who shall serve at the Declarant's discretion. Further, the Declarant shall have the right to assign this right of appointment to any Person. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant, or Declarant's assignee. Upon the expiration of such right, the Board may appoint the members of the NACC, who shall thereafter serve and be removed in the Board's discretion. Further, upon the expiration of such right, the Board may, in its discretion, abolish the NACC and may assign the Design Guideline Authority to the ACC or to a Subassociation.

9.3. Guidelines and Procedures.

(a) Design Guidelines. The Declarant shall prepare the initial Design Guidelines for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties in the Association, as well as specific provisions which may vary according to land use and may vary from one Neighborhood to another depending upon the location, unique characteristics, and intended use. In addition, any Subassociation or NACC to which Design Guideline Authority was delegated under Section 4.1, may adopt additional Design Guidelines for application to the particular Neighborhood over which they have jurisdiction. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the development of the Properties. The Design Guidelines are not the exclusive basis for decisions of the ACC, NACC, or Subassociation and compliance with the applicable Design Guidelines does not guarantee approval of any application.

During the Development Period, the Declarant shall have sole and full authority to amend any of the Design Guidelines. Thereafter, the Board shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the Board is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The ACC, the NACC, or the Subassociation to whom Design Guideline Authority was delegated under Section 4.1 shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties. In the Declarant's discretion, such Design Guidelines may be recorded in the Public Records, in which event the recorded version, as it may unilaterally be amended from time to time, shall

control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

The ACC, the NACC, or the Subassociation to whom Design Guideline Authority was delegated under Section 4.1 may promulgate detailed procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines. Any architectural guidelines and standards adopted by the NACC or the Subassociation to whom Design Guideline Authority was delegated under Section 4.1 may not be inconsistent with the Design Guidelines.

(b) Procedures. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1 for review and approval (or disapproval). Unless the Declarant or a Builder installs the initial landscaping on a Unit, the Owner shall submit plans and complete the installation within the schedule contained in design guidelines applicable to that unit. In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable. In reviewing each submission, the ACC, NACC, or Subassociation may consider the quality of workmanship and design, harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation, among other things. Decisions of the ACC, NACC, or Subassociation may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as committee members change over time.

In the event that the ACC, NACC, or Subassociation fails to approve or to disapprove any application within 30 days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the ACC, NACC, or Subassociation pursuant to Section 9.5. A majority vote of the ACC or NACC is required to approve a request pursuant to this Article unless the ACC or NACC has appointed a representative to act for it, in which case the decision of such representative shall control. In the event that a representative acting on behalf of the ACC or NACC approves or denies a request for architectural approval, the Unit Owner whose application has been denied shall have the right to an appeal of such decision to the full ACC or NACC, upon a request therefore submitted to the ACC or NACC within 30 days after such approval or denial by the ACC's or NACC's representative. In the event an application for architectural approval is approved or denied by the ACC or NACC, whether pursuant to an original request for approval or an appeal from a decision of the representative of the ACC or NACC, any Unit Owner shall have the right to appeal such decision to the Executive Board, if a written request for a hearing or an appeal of the same is submitted to the Executive Board within 30 days after such approval or denial by the ACC or NACC.

9.4. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.5. Variances. The ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1 may authorize variances from compliance with any of its guidelines when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1 from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

9.6. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1 shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the ACC, NACC, Declarant, the Association, the Subassociation, or the officers or directors of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Unit. In all matters, the ACC, NACC, or Subassociation and its members shall be defended and indemnified by the Association as provided in Section 4.7.

9.7. Enforcement. Any structure or improvement placed or made in violation of this Article, or not submitted or installed as required, shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, install, or if appropriate, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to install or to remove and restore as required, the Board, the Declarant, or the designees of either, shall have the right to enter the property, remove the violation, and install or restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Unit and collected as a Specific Assessment.

Unless otherwise specified in writing by the ACC, NACC, or Subassociation, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association or

Subassociation shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with the By-Laws, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the ACC, NACC, Declarant, the Association, the Subassociation, nor their officers or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Declarant, its designees, the Association, and the Subassociation shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1.

Article X **USE RESTRICTIONS**

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association consistent with this Declaration and any Supplemental Declaration). Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in this Article, and the Association shall have standing and the power to enforce such standards.

10.1. Signs. No sign of any kind, including, without limitation, flags, banners, or similar items advertising or providing directional information shall be erected within the Properties without the written consent of the Board or Architectural Control Committee, except entry and directional signs installed by Declarant. If permission is granted to any Person to erect a sign within the Properties, the Board reserves the right to restrict the size, color, lettering, and placement of such sign. The Board and the Declarant shall have the right to erect signs as they, in their discretion, deem appropriate.

10.2. Parking and Prohibited Vehicles.

(a) Parking. The Board may adopt reasonable rules governing the operation, driving, and parking of vehicles within the Properties, including designation of parking areas. The Declarant and/or the Association may designate certain parking areas for visitors or guest parking within the Common Elements.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0365 - \$445.00 - 37/ 89

(b) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Board.

10.3. Occupants Bound. All provisions of the Declaration, any applicable Supplemental Declaration, By-Laws, and rules and regulations shall also apply to all occupants, guests, and invitees of any Unit. Every Owner shall cause all occupants, guests and invitees of his or her Unit to comply with the foregoing, and every Owner shall be responsible for all violations and losses to the Common Elements caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation.

10.4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit. Pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board. If the Owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. All dogs whenever outside a Unit shall be confined on a leash held by a responsible person. The Board also shall have the authority to restrict or prohibit the keeping of breeds of dogs with a known history of dangerous or vicious behavior.

10.5. Quiet Enjoyment. Nothing shall be done or maintained on any part of a Unit which emits foul or obnoxious odors outside the Unit, or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the occupants and invitees of other Units.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Properties, which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Elements or to the occupants and invitees of other Units.

10.6. Unsightly or Unkempt Conditions. All portions of a Unit outside of enclosed structures shall be kept in a clean and tidy condition at all times. Nothing shall be done, maintained, stored, or kept outside of enclosed structures on a Unit which, in the determination of the Board, causes an unclean, unhealthy, or untidy condition to exist or is obnoxious to the senses. Any structures, equipment or other items which may be permitted to be erected or placed on the exterior portions of Units shall be kept in a neat, clean and attractive condition and shall promptly be removed upon request of the Board if, in the judgment of the Board, they have become rusty, dilapidated or otherwise fallen into disrepair. The pursuit of hobbies or other activities, including specifically, without limitation, the assembly and disassembly of

motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions is prohibited, unless either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within twelve hours, and not done on a regular or frequent basis.

No owner or occupant shall dump grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere on the Properties, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff.

10.7. Prohibited Conditions. The following conditions, structures, or activities are prohibited within the Properties unless prior approval in writing is obtained pursuant to Article IX:

(a) Antennas. Exterior antennas may only be installed upon approval of the ACC, the NACC, or the Subassociation to which Design Guideline Authority was delegated under Section 4.1. One small and inconspicuous satellite dish may be installed on a Unit as set forth in the Design Guidelines. A master antenna, cable system, or satellite system may be maintained by the Declarant or the Association with approval by the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1;

(b) Tree Removal. No trees or shrubs shall be removed except in compliance with the Design Guidelines;

(c) Lighting. Exterior lighting visible from the street shall not be permitted except for (i) approved lighting as originally installed on a Unit or as permitted within the Properties pursuant to the Design Guidelines; (ii) street lights in conformity with an established street lighting program; or (iii) seasonal decorative lights during the usual and common season;

(d) Artificial Vegetation, Exterior Sculpture, and Similar Items. Artificial vegetation, and permanent clotheslines shall not be permitted on the exterior of any Unit. Flags, play equipment, and basketball goals are permitted provided that such items comply with the Design Guidelines and are approved by the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1, as appropriate;

(e) Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure;

(f) Pools. Above ground pools are prohibited. Installation of in-ground pools, ponds, hot tubs, portable spas, or jacuzzis designed and constructed as an integral part of a deck or patio area in a rear yard as set forth in the Design Guidelines may be permitted with approval of the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1, as appropriate;

(g) Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted, except for temporary lines as required during construction and lines installed by or at the request of Declarant;

(h) Playground. Playground equipment, including, without limitation, jungle gyms and swing sets, is permitted only if such equipment complies with the Design Guidelines, and any permanent equipment which is anchored in the ground or attached to a structure shall not be permitted unless approved by the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1, and

(i) Fences. Fences which are consistent with the materials for, design of, and location upon a Unit as set forth in the Design Guidelines are permitted within the Properties and must be reviewed and approved by the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1. Fences exceeding the height limitations or which vary from the approved location, materials, or design set forth in the Design Guidelines shall not be permitted unless approved by the ACC, NACC, or Subassociation. Retaining walls, dog runs or animal pens may be permitted only as provided in the Design Guidelines and approved by the ACC, NACC, or Subassociation.

10.8. Subdivision of Unit and Time-Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board; provided, however, the Declarant, its successors and assigns hereby expressly reserve the right unilaterally to subdivide, change the boundary line of, and replat any Unit(s) owned by Declarant, its successors and assigns during the Development Period.

No Unit shall be made subject to any type of timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years. However, the Declarant hereby reserves the right for itself and its assigns to operate such a program with respect to Units which it owns.

10.9. Firearms. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Association shall not be obligated to take action to enforce this Section.

10.10. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Properties shall be installed, constructed, or operated within the Properties. However, the Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Common Elements. All sprinkler and irrigation systems serving Units shall draw upon public water supplies only and shall be subject to approval in accordance with Article IX of this Declaration. Private irrigation wells are prohibited on the Properties.

10.11. Tents, Mobile Homes, and Temporary Structures. Except as may be permitted by the Declarant or the ACC, NACC, or Subassociation to whom Design Guideline Authority was delegated under Section 4.1 during initial construction within the Properties, no tent, shack, mobile home, or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties. This prohibition shall not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Unit, provided it receives the prior approval of the ACC, NACC, or Subassociation in accordance with Article IX.

10.12. Grading, Drainage and Septic Systems. No Person shall alter the grading of any Unit without prior approval pursuant to Article IX of this Declaration. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent. Septic tanks and drain fields, other than those installed by or with the consent of the Declarant, are prohibited within the Properties.

10.13. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

10.14. Wetlands, Lakes, and Other Water Bodies. All wetlands, lakes, ponds, and streams within the Properties, if any, shall be aesthetic amenities only, and no other use thereof, including without limitation fishing, swimming, boating, playing, or use of personal flotation devices, shall be permitted without the prior approval of the Board. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Properties.

10.15. Business Use. No business, trade, rummage sale, or similar activity may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any

occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

Notwithstanding the above, the leasing of a Unit shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties, including the operation of a timeshare or similar program.

10.16. Leasing of Units. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Units may be leased only in their entirety. No fraction or portion may be leased. No transient tenants may be accommodated in a Unit. The Board may establish minimum lease periods. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations. The Board may adopt reasonable rules regulating leasing and subleasing.

10.17. Laws and Ordinances. Every Owner and occupant of any Unit, their guests and invitees, shall comply with all laws, statutes, ordinances, and rules of federal, state, and municipal governments applicable to the Properties. Any violation may be considered a violation of this Declaration. However, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances, and rules.

10.18. Single Family Occupancy. No Unit shall be occupied by more than a single family. For purposes of this restriction, a single family shall be defined as any of the members of a single housekeeping unit. The Board may impose additional rules, limiting the number of occupants permitted in each Unit based upon its size and facilities and its fair use of the Common Elements.

10.19. Water and Mineral Operations. No oil or water drilling, oil or water development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on any Unit. No derrick or other structure designed for use in boring for water, oil, natural gas, or other minerals shall be erected and maintained or permitted on any Unit.

10.20. Residential Dwelling. The primary structure constructed on each Unit shall be an attached or detached single family residential dwelling; any other structure shall be constructed only after approval by the appropriate committee pursuant to Article IX.

Article XI
EASEMENTS

11.1. Easements of Encroachment. The Declarant grants to the Association and to each Unit reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Elements and between adjacent Units or any Unit and any Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.2. Easements for Utilities, Etc.

(a) The Declarant reserves for itself, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve the Properties, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, drainage systems, street lights and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on recorded plats;

(ii) inspecting, maintaining, repairing and replacing the utilities, infrastructure and other improvements described in Section 11.2(a)(i); and

(iii) access to read utility meters.

(b) Any damage to a Unit resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

(c) The Common Interest Community is subject to the recorded easements, licenses and other matters described on any Plat or on Exhibit D attached to this Declaration which exhibit is hereby incorporated by reference.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0371 - \$445.00 - 43/ 89

11.3. Easements to Serve Additional Property. During the Development Period, the Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Elements for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B", whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Elements for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Elements as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefitting from such easement is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such Property.

11.4. Easements for Maintenance, Emergencies and Enforcement. The Declarant grants to the Association easements over the Properties as necessary to enable the Association to fulfill its maintenance responsibilities. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the governing documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

11.5. Easements for Lake and Pond Maintenance and Flood Water. The Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Common Elements to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Common Elements; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. The Declarant, the Association, and their successors, assigns and designees shall have an access easement over and across any of the Properties abutting or containing bodies of water or wetlands to the extent reasonably necessary to exercise their rights under this Section. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding, heavy rainfall, or other natural occurrences.

11.6. Easements for Golf Course.

(a) Every Unit and the Common Elements and the common property of any Subassociation are burdened with an easement permitting golf balls unintentionally to come upon such Common Elements, Units or common property of a Neighborhood and for golfers at reasonable times and in a reasonable manner to come upon the Common Elements, common

property of a Neighborhood, or the exterior portions of a Unit to retrieve errant golf balls; provided, however, if any Unit is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Declarant; the Association or its Members (in their capacity as such); successors-in-title to the golf course, or assigns; any successor Declarant; any Builder or contractor (in their capacities as such); any officer, director or partner of any of the foregoing, or any officer or director of any partner.

(b) The owner of the Private Amenities, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Elements reasonably necessary to the operation, maintenance, repair and replacement of the Private Amenities.

(c) Any portion of the Properties immediately adjacent to any golf course is hereby burdened with a non-exclusive easement in favor of the adjacent golf course for overspray of water from the irrigation system serving such golf course. Under no circumstances shall the Association or the owner of such golf course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(d) The owner of any golf course within or adjacent to any portion of the Properties, its successors and assigns, shall have a perpetual, exclusive easement of access over the Properties for the purpose of retrieving golf balls from bodies of water within the Common Elements lying reasonably within range of golf balls hit from its golf course.

Article XII **MORTGAGEE PROVISIONS**

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Common Interest Community. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or occupant which is not cured within 60 days;

(c) Any lapse, cancellations, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

12.2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least 67% of the Eligible Holders and Unit Owners representing at least 67% of the total votes in the Association consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Elements which the Association owns, directly or indirectly (the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Units and the Common Elements (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) Fail to maintain insurance, as required by this Declaration; or

(e) Use hazard insurance proceeds for any Common Elements losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Elements and may pay overdue premiums on casualty insurance policies to secure new casualty insurance coverage upon the

lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

12.3. Other Provisions for First Lien Holders. To the extent not inconsistent with Colorado law:

(a) Any restoration or repair of the Common Elements after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

12.4. Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the Association as a result of destruction, damage, or condemnation pursuant to Section 12.3(a) and (b), or to the addition of land in accordance with Article VII, or to any rights that Declarant may exercise pursuant to Article XIII.

(a) The consent of Unit Owners representing at least 67% of the total votes in the Association, and the consent of the Declarant during the Development Period, and the approval of the Eligible Holders of first Mortgages on Units to which at least 67% of the votes of Units subject to a Mortgage appertain, shall be required to terminate the Association.

(b) The consent of Unit Owners representing at least 67% of the total votes in the Association, and the consent of the Declarant during the Development Period, and the approval of Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

(i) voting;

(ii) increase the Common Expense Assessment by more than 25% over the previously levied Common Expense Assessment, assessments, assessment liens, or subordination of such liens;

(iii) reductions in the reserves for maintenance, repair, and replacement of the Common Elements;

- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Elements;
- (vi) responsibility for maintenance and repair of the Common Element;
- (vii) expansion or contraction of the Common Interest Community or the addition, annexation, or withdrawal of real property to or from the Association;
- (viii) boundaries of any Unit;
- (ix) imposition of any restrictions on the leasing of Units;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;
- (xi) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

12.5. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements.

12.6. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

12.7. Failure of Eligible Holders to Respond. Any Eligible Holder who receives a written request from the Board to approve or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Eligible Holder by certified or registered mail, return receipt requested.

12.8. Construction of Article XII. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Colorado law for any of the acts set out in this Article.

12.9. HUD/VA Approval. During the Declarant Control Period, the following actions shall require the prior approval of the U.S. Department of Veterans Affairs ("VA"), so long as the development is approved by the VA for the guaranteeing of mortgages in the development, and the prior approval of the U.S. Department of Housing and Urban Development ("HUD"), so long as the development is approved by HUD for the insuring of mortgages in the

(3) Two (2) years after any right to add new Units was last exercised.

Notwithstanding the foregoing, if Declarant voluntarily relinquishes its right to appoint and remove officers and directors of the Association prior to the termination of the Declarant Control Period, Declarant reserves the right to approve or disapprove specified actions of the Association as provided in Section 13.1.6(c).

(b) Notwithstanding any other provision of this Declaration:

(1) Within 60 days after the time that Owners other than the Declarant own 25% of the Units that May Be Created or whenever the Declarant earlier determines, the President of the Association shall call for an election by which the Unit Owners shall be entitled to elect one of the three directors. The remaining two directors shall be appointees of the Declarant. The director elected by the Unit Owners shall not be subject to removal by the Declarant and shall be elected for a term of two years or until the happening of the event described in subsection 13.1.6(b)(2), whichever is shorter. If such director's term expires prior to the happening of the event described in subsection 13.1.6(b)(2), a successor shall be elected for a like term.

(2) Within 60 days after the time that Owners other than the Declarant own 50% of the Units that May Be Created or whenever the Declarant earlier determines, the Board shall be increased to five directors. The President shall call for an election by which the Unit Owners shall be entitled to elect two of the five directors. The remaining three directors shall be appointees of the Declarant. The directors elected by the Unit Owners shall not be subject to removal by the Declarant and shall be elected for a term of two years or until the happening of the event described in subsection 13.1.6(b)(3) below, whichever is shorter.

(3) Upon the termination of the Declarant Control Period, the Board shall be elected by the Unit Owners.

(c) During the Declarant Control Period, if Declarant voluntarily has relinquished its right to appoint and remove officers and directors of the Association, the Declarant shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or Builders under the Declaration or the By-Laws, or interfere with development, construction of any portion of the Properties, or diminish the level of services being provided by the Association.

(1) The Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of

the Association, which notice complies as to the Board meetings and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(2) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsection (1) and (2) above have been met.

The Declarant, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Declarant, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to disapprove a reduction in the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with the applicable laws and regulations.

13.2 Transfer of Special Declarant Rights. Any or all of the Special Declarant Rights identified in this Section, Development Rights, or any of the other special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. No such transfer shall be effective unless it is in a written instrument signed by the Declarant and the transferee and duly recorded in the Public Records.

13.3. Models, Sales Offices, and Management Offices. During the Development Period, the Declarant and Builders authorized by Declarant may maintain and carry on upon any Unit owned by Declarant or any portion of the Common Elements such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

13.4. Construction of Improvements. The Declarant and its employees, agents and designees shall also have a right and easement during the Development Period over and upon

all of the Common Elements for the purpose of making, constructing and installing such improvements to the Common Elements as it deems appropriate in its sole discretion.

13.5. Other Covenants Prohibited. During the Development Period, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

13.6. Master Planned Community. Each Owner, by accepting title to a Unit and becoming an Owner, and each other Person, by acquiring any interest in the Properties, acknowledges awareness that Plum Creek North is a master planned community, the development of which is likely to extend over many years, and agrees not to protest or otherwise object to (a) zoning or changes in zoning or to uses of, or changes in density of, the Properties (other than within said Owner's or other Person's Neighborhood) during the Development Period, or (b) changes in any conceptual or master plan for the Properties, including, but not limited to, the Master Plan (other than within said Owner's or other Person's Neighborhood); provided, such revision is or would be lawful (including, but not limited to, lawful by special use permit, variance or the like) and is not inconsistent with what is permitted by the Declaration (as amended from time to time).

13.7. Equal Treatment. So long as the Declarant owns any property described in Exhibits "A" or "B", neither the Association nor any Neighborhood Association shall, without the prior written consent of the Declarant, adopt any policy, rule or procedure that:

(a) Limits the access of the Declarant, its successors, assigns and/or affiliates or their personnel and/or guests, including visitors, to the Common Elements of the Association or to any property owned by any of them;

(b) Limits or prevents the Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Association or its Common Elements or any property owned by any of them in promotional materials;

(c) Limits or prevents purchasers of new residential housing constructed by the Declarant, any Builder, their successors, assigns and/or affiliates in Plum Creek North from becoming members of the Association or enjoying full use of its Common Elements, subject to the membership provisions of this Declaration and the By-Laws;

(d) Impacts the ability of the Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for Plum Creek North, as such plans are expressed in the Master Plan, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by the Declarant and limiting the establishment by the

Declarant of easements necessary to complete Plum Creek North shall be expressly included in this provision. Easements that may be established by the Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or

(e) Impacts the ability of the Declarant, its successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

Neither the Association nor any Subassociation shall exercise its authority over the Common Elements (including, but not limited to, any gated entrances and other means of access to the Properties or the Exhibit "B" property) to interfere with the rights of the Declarant set forth in this Declaration or to impede access to any portion of the Properties or the Exhibit "B" property over the streets and other Common Elements within the Properties.

Article XIV
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1 Agreement to Avoid Litigation. The Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, any Builder, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described in Sections 14.2 ("Claims") shall be resolved using the procedures set forth in Section 14.3 in lieu of filing suit in any court.

14.2. Claims. Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Declaration, the By-Laws, or the Articles (collectively, the "Governing Documents"), or the rights, obligations and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 14.3.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.3:

(a) any suit by the Association against any Bound Party to enforce the provisions of Article VIII (Assessments);

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article IX (Architectural Standards) and Article X (Use Restrictions);

(c) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of this Declaration, the By-Laws, Articles, Design Guidelines, or Association's rules;

(d) any suit in which any indispensable party is not a Bound Party; and

(e) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 14.3(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.3.

14.3. Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

1. the nature of the Claim, including the Persons involved and Respondent's role in the Claim;
2. the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
3. Claimant's proposed remedy; and
4. that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation.

1. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

2. If the Parties do not resolve the Claim within 30 days of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of Resolution Resources Corporation of Denver or any other independent agency providing dispute resolution services in the Denver area upon which the parties may agree.

3. If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

4. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

5. Within five days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(c) Arbitration.

1. If the Parties do not agree in writing to a settlement of the Claim within 15 days of the Termination of Mediation, the Claimant shall have 15 additional days to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit "C" or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.

2. This subsection (c) is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

14.4. Allocation of Costs of Resolving Claims.

(a) Subject to Section 14.4(b), each Party shall bear its own costs, including any attorneys fees incurred, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding ("Post Mediation Costs").

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0383 - \$445.00 - 55/ 89

(b) Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than any Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs.

14.5. Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or binding Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 14.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

Article XV **PRIVATE AMENITIES**

15.1. General. Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Private Amenity. Rights to use the Private Amenities shall be extended only to such persons, and on such terms and conditions, as provided under the membership policies by the owners of the Private Amenities. Owners may acquire the right to become members of the Private Amenities in accordance with the certain Plum Creek Access and Use Agreement recorded or to be recorded in the Public Records.

15.2. Conveyance of Private Amenities. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant, the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity.

15.3. View Impairment. Neither the Declarant, the Association, nor the owner of any Private Amenity, guarantees or represents that any view over and across the Private Amenity from Units adjacent to the Private Amenity will be preserved without impairment. Owners of the Private Amenities, if any, shall have no obligation to prune or thin trees or other landscaping; and shall have the right, in their sole and absolute discretion, to add trees and other landscaping to the Private Amenities from time to time. In addition, the owner of any Private Amenity which includes a golf course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, bunkers, fairways and greens from time to time. Any such additions or changes may diminish or obstruct any view from the Units

and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

15.4. Rights of Access and Parking. There is hereby established for the benefit of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Properties reasonably necessary to travel between the entrance to the Properties and the Private Amenities and over those portions of the Properties (whether Common Elements or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within the Properties at reasonable times before, during, and after tournaments and other similar functions held by or at the Private Amenities to the extent that the Private Amenity has insufficient parking to accommodate such vehicles.

15.5. Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenities, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefitting any Private Amenity, may be made without the written approval of the Private Amenity.

15.6. Jurisdiction and Cooperation. It is Declarant's intention that the Association and the Private Amenities shall cooperate to the maximum extent possible in the operation of the Properties and the Private Amenities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines.

Article XVI **GENERAL PROVISIONS**

16.1. Duration.

(a) Unless terminated as provided in Section 16.1(b), this Declaration shall have perpetual duration. If Colorado law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided herein.

(b) Unless otherwise provided by Colorado law, in which case such law shall control, this Declaration may be terminated only by an instrument signed by Owners of at least 67% of the total Units within the Properties, which instrument is recorded in the Public Records, and which complies with the termination procedures set forth in Section 38-33.3-218 of the Act. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

16.2 Amendment. Except in cases of amendments which may be executed unilaterally by the Declarant during the Development Period in the exercise of its Development Rights, or amendments executed by the Association as provided in the Act, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Unit Owners representing at least 67% of the total votes in the Association, and the consent of the Declarant during the Development Period. In addition, the approval requirements set forth in Article XII shall be met, if applicable.

The Declarant may unilaterally amend this Declaration if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; (iv) to enable any reputable private insurance company to insure mortgage loans on the Units; or (v) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Amendments to this Declaration shall be prepared, executed, recorded and certified by the President of the Association.

No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant during the Development Period.

Where a Unit is owned by more than one Person, the execution of any amendment shall be valid if executed by any one Owner. Signatures need not be notarized. All signatures shall be irrevocable even upon death or conveyance of the Unit except that if an amendment is not recorded within three years of the date of signature, then the executing Owners, or their successors or assigns, may revoke their signatures by a written and notarized document delivered to the Secretary of the Association. Amendments can be executed in counterparts, provided that such recorded documents shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are part of the whole.

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0386 - \$445.00 - 58/ 89

16.3. Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

16.4. Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of 75% of the Members personally casting the votes assigned to such Member's Units. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article VIII; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This Section shall apply in addition to the provisions of Article XIV, if applicable.

16.5. Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional covenants, restrictions, and declarations applicable to any Neighborhood, and the Association may, but shall not be required to, enforce the covenants, conditions, and provisions applicable to any Neighborhood; provided, however, in the event of a conflict between or among this Declaration and such covenants, or restrictions, and/or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Articles, and Use Restrictions and Rules of the Association shall prevail over those of any Neighborhood. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

16.6. Use of the Words "Plum Creek Villages" or "Plum Creek North". No Person shall use the words "Plum Creek Villages" or "Plum Creek North" or any derivative in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the terms "Plum Creek Villages" or "Plum Creek North" in printed or promotional matter where such term is used solely to specify that particular property is located within Plum Creek Villages or Plum Creek North and the Association shall be entitled to use the words "Plum Creek Villages" or "Plum Creek North" in its name.

16.7. Compliance. Every Owner and occupant of any Unit shall comply with this Declaration, any applicable Supplemental Declaration, the By-Laws, and the Use Restrictions and Rules promulgated pursuant to Article X. Subject to the terms of Article XIV, failure to comply shall be grounds for an action by the Association or, in a proper case, by any aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy

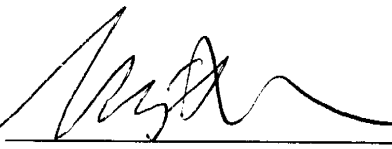
available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.4.

16.8. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

IN WITNESS WHEREOF, the undersigned signatories, constituting all owners of real property subject to this Declaration and holders of deeds of trust encumbering real property subject to this Declaration, have signed this Declaration on the dates set forth in the Acknowledgments below their respective signatures.

Declarant and Owner of Real Property Described
on Exhibit A, Page 1

HOLMBY LEISURE COUNTRY CLUB, LTD.,
a Colorado corporation

By:  [SEAL]

Its: president

Attest: Jennifer J. Aquino [SEAL]

Its: Secretary

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0388 - \$445.00 - 60/ 89

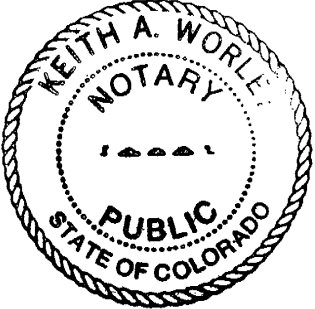
STATE OF COLORADO)
) ss
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 5th day of September, 1997 by John Chen, as President and Jennifer Aquino as Secretary of Holmby Leisure Country Club, Ltd., a Colorado corporation.

Witness my hand and official seal.

[Signature]
Notary Public

My Commission expires: 7-10-98



Owner of Real Property Described on Exhibit A, Page 2

ADVANTAGE DESIGN BUILD, INC.
DBA Fairfield Homes

By: [Signature] [SEAL]

Its: President

Attest: [Signature] [SEAL]

Its: Secretary

STATE OF COLORADO)
) ss
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 10th day of Sept, 1997 by Kenneth M. Slippack, as President and Fred Ahlerk as Secretary of Advantage Design Build, Inc. DBA Fairfield Homes.

Witness my hand and official seal.

[Signature]
Notary Public

My Commission expires: 10/10/99 251999

Owner of Real Property Described on
Exhibit A, Page 3

THE FAIRWAYS AT PLUM CREEK, LLC

By: *[Signature]*

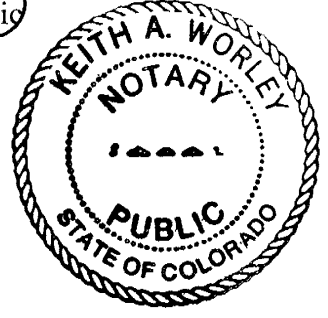
STATE OF COLORADO)
) ss
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 5th day of September, 1997 by John Chen, as Manager of The Fairways at Plum Creek, LLC.

Witness my hand and official seal.

[Signature]
Notary Public

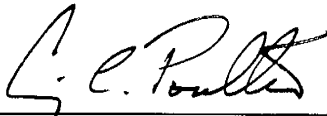
My Commission expires: 7-10-98



9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 -- P0390 - \$445.00 - 62/ 89

The undersigned, being the owner and holder of all of the indebtedness secured by a certain deed of trust dated June 18, 1996, securing a loan in the original principal amount of \$4,125,000.00, recorded June 19, 1996, at Reception No. 9633550 of the records of the Clerk and Recorder of Douglas County, Colorado (the "Deed of Trust"), hereby agrees that the Deed of Trust shall at all times be subordinate to the Master Declaration Creating Covenants, Conditions, Restrictions and Easements for Plum Creek North (the "Master Declaration"), and that any sale under foreclosure of that Deed of Trust shall be subject to the Master Declaration. Notwithstanding the foregoing, the Deed of Trust, as a lien recorded before the recordation of the Master Declaration, has and shall continue to have priority over all liens of the Plum Creek North Master Homeowners Association, Inc. (the "Association"), pursuant to C.R.S. § 38-33.3-316(2)(a)(I). The Deed of Trust shall not be deemed to be a lien subject to either the priority provisions of C.R.S. § 38-33.3-316(2)(a)(II) or any exception to priority set forth in C.R.S. § 38-33.3-316(2)(b) or in any provision of the Declaration; it being the express intention and agreement of the Association and Lender that the Deed of Trust shall have priority over all liens of the Association.

U.S. BANK NATIONAL ASSOCIATION,
a national banking association, f/k/a
Colorado National Bank

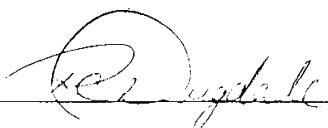
By: 
Craig A. Poulter
Vice President

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

Acknowledged before me this 3rd day of October, 1997, by Craig A. Poulter, as Vice President of U.S. Bank National Association, a national banking association, f/k/a Colorado National Bank.



Witness my hand and official seal.
My commission expires 01-12-2000.



Owned by Holmby Leisure Country Club, Ltd.

- Block 1 Lots 6, 7, 9, and 10
- Block 2 Lots 1, 2, 8, 9, and 10
- Block 3 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9
- Block 4 Lots 1, 2, 3, 4, 7, 9, 10, 12, and 13

Tracts A, B, C, D, F, H, K, M, N

Plum Creek Fairway 11 Subdivision, Filing No. 1, as described on the Final Plat recorded on September 7, 1995 at Reception No. 9542152, Douglas County, Colorado records, as amended by Plum Creek Fairway 11 Subdivision, Filing No. 1 - 1st Amendment, as described on the Final Plat recorded on February 7, 1997 at Reception No. 9707394, Douglas County, Colorado records.

together with

All of Plum Creek Fairway 11 Subdivision, Filing No. 1 - 2nd Amendment, as described on the Final Plat recorded on June 16, 1997 at Reception No. 9732309, Douglas County, Colorado records.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0392 - \$445.00 - 64/ 89

Owned by Advantage Design Build, Inc.

Block 1 Lots 3, 4 and 21

Block 2 Lots 3, 4, 5, and 7

Block 4 Lots 5, 6 and 16

Plum Creek Fairway 11 Subdivision, Filing No. 1, as described on the Final Plat recorded on September 7, 1995 at Reception No. 9542152, Douglas County, Colorado records, as amended by Plum Creek Fairway 11 Subdivision, Filing No. 1 - 1st Amendment, as described on the Final Plat recorded on February 7, 1997 at Reception No. 9707394, Douglas County, Colorado records.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0393 - \$445.00 - 65/ 89

Owned by The Fairways at Plum Creek, LLC:

A PORTION OF LOT 3, PLUM CREEK COMMERCIAL SUBDIVISION FILING NO. 1, LOCATED IN THE NORTHEAST ONE QUARTER OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING IS THE NORTH LINE OF THE NORTHEAST ONE-QUARTER OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, WITH THE LINE ASSUMED TO BEAR S88°28'33" W.

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 14, THENCE S70°25'41"W A DISTANCE OF 1022.99 FEET TO THE NORTHEAST CORNER OF LOT 3, PLUM CREEK COMMERCIAL SUBDIVISION FILING NO. 1; THENCE ALONG THE NORTHERLY LINE OF LOT 3, PLUM CREEK COMMERCIAL SUBDIVISION FILING NO. 1, ALSO BEING THE SOUTHERLY RIGHT-OF-WAY OF PLUM CREEK PARKWAY THE FOLLOWING TWO (2) COURSES:

1. ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S27°42'55"W, HAVING A RADIUS OF 895.00 FEET, A DELTA OF 05°42'55" AND AN ARC LENGTH OF 89.28 FEET TO A POINT OF TANGENT;
2. THENCE N68°00'00"W A DISTANCE OF 3.21 FEET TO THE POINT OF BEGINNING;

THENCE THE FOLLOWING TEN (10) COURSES:

1. S22°00'34"W A DISTANCE OF 40.39 FEET;
2. S11°47'23"E A DISTANCE OF 51.75 FEET;
3. S78°12'37"W A DISTANCE OF 177.01 FEET;
4. S11°47'23"E A DISTANCE OF 27.75 FEET;
5. S22°32'58"W A DISTANCE OF 58.29 FEET;
6. N67°27'02"W A DISTANCE OF 92.22 FEET;
7. N10°19'01"W A DISTANCE OF 108.57 FEET;
8. ALONG A NON-TANGENT CURVE TO THE LEFT WHOSE CENTER BEARS N11°09'44"W HAVING A RADIUS OF 182.00 FEET, A DELTA OF 12°50'49" AND AN ARC LENGTH OF 40.81 FEET;
9. N45°42'25"E A DISTANCE OF 22.65 FEET;
10. N22°00'00"E A DISTANCE OF 63.03 FEET;

TO A POINT ON THE NORTHERLY LINE OF LOT 3, PLUM CREEK COMMERCIAL SUBDIVISION FILING NO. 1, ALSO BEING ON THE SOUTHERLY RIGHT-OF-WAY OF PLUM CREEK PARKWAY.

THENCE S68°00'00"E ALONG SAID NORTHERLY LINE OF LOT 3, PLUM CREEK COMMERCIAL SUBDIVISION FILING NO. 1, ALSO BEING THE SOUTHERLY RIGHT-OF-WAY OF PLUM CREEK PARKWAY, A DISTANCE OF 251.72 FEET TO THE POINT OF BEGINNING.

CONTAINS 1.224 ACRES.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0394 - \$445.00 - 66/ 89

Parcel 1

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 11 AND THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67, WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE OF ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO ALSO BEING LOTS 1, 2, 3, AND TRACTS B AND C OF PLUM CREEK COMMERCIAL SUBDIVISION FILING NO. 1 RECORDED UNDER RECEPTION NO. 361819 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 11 THENCE S88°28'34"E, A DISTANCE OF 347.89 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF PLUM CREEK BOULEVARD, FILING NO. 1, RECEPTION NO. 298460 AND THE TRUE POINT OF BEGINNING; THENCE NORTHERLY ALONG SAID RIGHT-OF-WAY LINE N37°01'14"E, A DISTANCE OF 95.16 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY N80°51'16"E, A DISTANCE OF 164.64 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF MILLER BOULEVARD AS RECORDED UNDER SAID RECEPTION NO. 361819; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE S55°19'00"E, A DISTANCE OF 211.97 FEET; THENCE 233.54 FEET ALONG A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1055.00 FEET, A CENTRAL ANGLE OF 12°41'00" AND A CHORD BEARING S61°39'30"E, 233.06 FEET; THENCE S68°00'00"E, A DISTANCE OF 628.12 FEET; THENCE 89.28 FEET ALONG A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 895.00 FEET, A CENTRAL ANGLE OF 05°42'55" AND A CHORD BEARING S65°08'33"E, 89.24 FEET; THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY LINE OF MILLER BOULEVARD S26°25'13"W, A DISTANCE 305.41 FEET; THENCE N58°00'00"W, A DISTANCE OF 268.56 FEET; THENCE S04°47'28"W, A DISTANCE OF 317.88 FEET; THENCE N53°02'07"W, A DISTANCE OF 679.71 FEET; THENCE N72°43'17"W, A DISTANCE OF 397.52 FEET; THENCE S56°18'10"W, A DISTANCE OF 25.00 FEET; THENCE 62.26 FEET ALONG THE ARC OF A NONTANGENT CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 165.00 FEET A CENTRAL ANGLE OF 21°37'14" AND A CHORD BEARING N44°30'23"W, 61.89 FEET TO A POINT OF TANGENCY; THENCE N55°19'00"W, A DISTANCE

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
\$445.00 97/ 09

OF 74.00 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID PLUM CREEK BOULEVARD FILING NO. 1; THENCE NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE N34°41'00"E, A DISTANCE OF 270.00 FEET; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE N37°01'14"E, A DISTANCE OF 35.93 FEET TO THE TRUE POINT OF BEGINNING, SAID PARCEL CONTAINING 13.16 ACRES MORE OR LESS.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0396 - \$445.00 - 68/ 89

Parcel 2

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67, WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE OF ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 14; THENCE ALONG THE NORTH LINE OF THE NORTH EAST CORNER OF SAID SECTION 14, S88°28'34"E A DISTANCE OF 347.89 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF PLUM CREEK BOULEVARD, FILING NO. 1, RECEPTION NO. 298460; THENCE ALONG SAID RIGHT-OF-WAY LINE S37°01'14"W A DISTANCE OF 35.93 FEET; THENCE S34°41'00"W A DISTANCE OF 270.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE DEPARTING SAID RIGHT-OF-WAY LINE AND ALONG THE SOUTHERLY BOUNDARY LINE OF PLUM CREEK COMMERCIAL FILING NO. 1, RECEPTION NO. 361819, S55°19'00"E, A DISTANCE OF 74.00 FEET; THENCE 62.26 FEET ALONG A TANGENT CURVE TO THE RIGHT WITH RADIUS OF 165.00 FEET, A CENTRAL ANGLE 21°37'14" AND A CHORD BEARING S44°30'23"E, 61.89 FEET; THENCE N56°18'10"E, A DISTANCE OF 25.00 FEET; THENCE S72°43'17"E, A DISTANCE OF 397.52 FEET; THENCE S53°02'07"E, A DISTANCE OF 679.71 FEET; THENCE DEPARTING SAID BOUNDARY LINE S74°45'52"E, A DISTANCE OF 88.04 FEET; THENCE 122.60 FEET ALONG A NONTANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 185.82 FEET A CENTRAL ANGLE OF 37°48'05" AND A CHORD BEARING S09°10'01"W, 120.39 FEET TO A POINT OF TANGENCY; THENCE S29°07'13"W, A DISTANCE OF 104.80 FEET; THENCE S43°01'46"W, A DISTANCE OF 330.19 FEET; THENCE 401.56 FEET ALONG A NONTANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1084.99 FEET A CENTRAL ANGLE OF 21°12'19" AND A CHORD BEARING S32°08'01"W, 399.27 FEET; THENCE S44°45'53"W, A DISTANCE OF 76.22 FEET; THENCE S60°08'24"W, A DISTANCE OF 52.36 FEET; THENCE S52°03'06"W, A DISTANCE OF 82.69 FEET; THENCE N67°25'18"W, A DISTANCE OF 16.93 FEET; THENCE S73°47'56"W, A DISTANCE OF 19.80 FEET; THENCE N70°58'40"W, A DISTANCE OF 62.36 FEET; THENCE 123.77 FEET ALONG A NONTANGENT CURVE TO

THE LEFT HAVING A RADIUS OF 101.44 FEET A CENTRAL ANGLE OF 69°54'46" AND A CHORD BEARING S05°56'24"W, 116.24 FEET; THENCE S09°00'25"E, A DISTANCE OF 45.92 FEET; THENCE 88.40 FEET ALONG A NONTANGENT CURVE TO THE LEFT HAVING A RADIUS OF 95.25 FEET A CENTRAL ANGLE OF 53°10'27" AND A CHORD BEARING S23°46'07"W, 85.26 FEET; THENCE S37°26'27"W, A DISTANCE OF 16.61 FEET; THENCE S05°37'30"W, A DISTANCE OF 48.36 FEET; THENCE S14°36'49"W, A DISTANCE OF 66.09 FEET; THENCE 127.51 FEET ALONG A NONTANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 76.40 FEET, A CENTRAL ANGLE OF 95°37'26" AND A CHORD BEARING S30°57'14"W, 113.21 FEET; THENCE N33°50'14"W, A DISTANCE OF 27.87 FEET; THENCE 132.82 FEET ALONG A NONTANGENT CURVE TO THE LEFT HAVING A RADIUS OF 77.19 FEET, A CENTRAL ANGLE OF 98°35'27" AND A CHORD BEARING N23°02'54"W, 117.03 FEET; THENCE N25°18'47"W, A DISTANCE OF 15.38 FEET; THENCE S43°13'38"W, A DISTANCE OF 30.00 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF PLUM CREEK FAIRWAY 18 SUBDIVISION FILING NO. 1, RECEPTION NO. 332501; THENCE ALONG SAID BOUNDARY LINE N61°31'11"W, A DISTANCE OF 142.95 FEET; THENCE N90°00'00"W, A DISTANCE OF 482.68 FEET TO A POINT ON SAID EASTERLY RIGHT-OF-WAY LINE OF PLUM CREEK BOULEVARD; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE 23.09 FEET ALONG A NONTANGENT CURVE TO THE LEFT HAVING A RADIUS OF 540.00 FEET A CENTRAL OF 02°27'06" AND A CHORD BEARING N08°06'27"W, 23.09 FEET; THENCE N09°20'00"W, A DISTANCE OF 140.26 FEET; THENCE 108.01 FEET ALONG A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 460.00 FEET, A CENTRAL ANGLE OF 13°27'13" AND A CHORD BEARING N02°36'24"W, 107.76 FEET; THENCE N04°07'13"E, A DISTANCE OF 787.05 FEET; THENCE 245.38 FEET ALONG A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 460.00 FEET, A CENTRAL ANGLE OF 30°33'47" AND A CHORD BEARING N19°24'07"E, 242.48 FEET; THENCE N34°41'00"E, A DISTANCE OF 619.71 FEET TO THE TRUE POINT OF BEGINNING, SAID PARCEL CONTAINING 44.78 ACRES MORE OR LESS.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0398 - \$445.00 - 70/ 89

Parcel 3

A PARCEL OF LAND LOCATED IN A PORTION OF THE NORTHEAST QUARTER OF SECTION 14 AND THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 8 SOUTH, RANGE 67, WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE OF ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 14; THENCE ALONG THE NORTH LINE OF SAID SECTION 14 S88°28'34"E, A DISTANCE OF 963.04 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF PLUM CREEK PARKWAY FILING NO. 1 RECEPTION NO. 8735432; THENCE ALONG SAID RIGHT-OF-WAY LINE S68°00'00"E, A DISTANCE OF 628.12 FEET; THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE S27°42'55"W, A DISTANCE OF 110.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID PLUM CREEK PARKWAY ALSO BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE 285.65 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 895.00 FEET, A CENTRAL ANGLE OF 18°17'12" AND A CHORD BEARING S53°08'29"W, 284.44 FEET; THENCE S43°59'53"E, A DISTANCE OF 1109.90 FEET; THENCE 31.42 FEET ALONG A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET AND A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING S01°00'07"W, 28.28 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE, FILING NO. 1 RECEPTION NO. 8735431; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE S46°00'07"W, A DISTANCE OF 10.00 FEET; THENCE 331.71 FEET ALONG A TANGENT CURVE TO THE LEFT HAVING A RADIUS 284.00 FEET, A CENTRAL ANGLE OF 66°55'17" AND A CHORD BEARING S12°32'22"W, 313.18 FEET; THENCE S20°55'10"E, A DISTANCE OF 50.00 FEET; THENCE N69°04'50"E, A DISTANCE OF 5.00 FEET; THENCE 43.64 FEET ALONG THE NONTANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 221.00 FEET A CENTRAL ANGLE OF 11°18'52" AND A CHORD BEARING S15°15'45"E, 43.57 FEET; THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE N47°27'12"W, A DISTANCE OF 375.53 FEET;

9756420 - 10/07/97 11:28 - BETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0399 \$445.00 - 7/17/89

THENCE N47°42'24"W, A DISTANCE OF 465.26 FEET; THENCE N36°24'39"W, A DISTANCE OF 520.76 FEET; THENCE N49°51'36"W, A DISTANCE OF 213.00 FEET; THENCE N26°25'13"E, A DISTANCE OF 305.41 FEET TO THE TRUE POINT OF BEGINNING; SAID PARCEL CONTAINING 11.33 ACRES MORE OR LESS.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0400 - \$445.00 - 72/ 89

Parcel 5

A PARCEL OF LAND LOCATED IN THE EASTERN HALF OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 14; THENCE ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 14, N89°19'39"W, A DISTANCE OF 921.25 FEET TO THE TRUE POINT OF BEGINNING; THENCE DEPARTING SAID SOUTH LINE N31°24'18"W A DISTANCE OF 124.93 FEET; THENCE N19°56'23"W A DISTANCE OF 130.06 FEET; THENCE N32°15'18"W A DISTANCE OF 273.08 FEET; THENCE S55°11'37"W A DISTANCE OF 363.97 FEET; THENCE S41°58'42"W A DISTANCE OF 36.10 FEET; THENCE N59°41'12"W A DISTANCE OF 537.77 FEET; THENCE N33°17'40"E A DISTANCE OF 444.25 FEET; THENCE N37°31'25"E A DISTANCE OF 439.11 FEET; THENCE N32°45'05"E A DISTANCE OF 244.41 FEET; THENCE N17°41'49"E A DISTANCE OF 276.46 FEET; THENCE N59°26'19"E A DISTANCE OF 58.55 FEET; THENCE S33°31'34"E A DISTANCE OF 595.80 FEET; THENCE S56°51'01"E A DISTANCE OF 906.37 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE FILING NO. 1 RECEPTION NO. 8735431; THENCE ALONG SAID RIGHT-OF-WAY 102.99 FEET ALONG A NONTANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 221.00 FEET, A CENTRAL ANGLE OF 26°42'03" AND A CHORD BEARING S50°06'55"W, 102.06 FEET TO A POINT OF TANGENCY; THENCE S63°27'56"W A DISTANCE OF 184.36 FEET; THENCE 237.86 FEET ALONG A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 329.00 FEET, A CENTRAL ANGLE OF 41°25'26" AND A CHORD BEARING S42°45'13"W, 232.71 FEET; THENCE S22°02'30"W A DISTANCE OF 413.18 FEET; THENCE 492.02 FEET ALONG A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 359.00 FEET, A CENTRAL ANGLE OF 78°31'32" AND A CHORD BEARING S17°13'16"E, 454.41 FEET; TO A POINT OF CUSP; THENCE DEPARTING SAID RIGHT-OF-WAY N56°29'02"W A DISTANCE OF 285.09 FEET; THENCE N31°24'18"W A DISTANCE OF 309.56 FEET TO THE TRUE POINT OF BEGINNING SAID PARCEL CONTAINING 34.11 ACRES MORE OR LESS.

Parcel 6

A PARCEL OF LAND LOCATED IN A PORTION OF THE WEST HALF OF SECTION 13 AND THE EAST HALF OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67, WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE OF ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13 AND THE TRUE POINT OF BEGINNING; THENCE ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13 S89°55'45"W, A DISTANCE OF 257.13 FEET; THENCE DEPARTING SAID SOUTH LINE N14°43'01"W, A DISTANCE OF 177.28 FEET; THENCE N27°27'49"W, A DISTANCE OF 151.45 FEET; THENCE N04°33'28"E, A DISTANCE OF 101.72 FEET; THENCE N09°37'19"W, A DISTANCE OF 187.79 FEET; THENCE N09°43'19"E, A DISTANCE OF 231.70 FEET; THENCE N05°36'31"W, A DISTANCE OF 256.31 FEET; THENCE N20°01'23"W, A DISTANCE OF 349.14 FEET; THENCE N35°25'31"E, A DISTANCE OF 148.68 FEET; THENCE S56°13'14"E, A DISTANCE OF 152.07 FEET; THENCE N85°20'00"E, A DISTANCE OF 154.82 FEET; THENCE N20°36'13"E, A DISTANCE OF 65.11 FEET; THENCE N63°14'45"W, A DISTANCE OF 613.48 FEET; THENCE N67°13'23"W, A DISTANCE OF 764.40 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE FILING NO. 1 RECEPTION NO. 8735431; THENCE ALONG SAID RIGHT-OF-WAY 182.75 FEET ALONG A NONTANGENT CURVE TO THE LEFT HAVING A RADIUS OF 271.00 FEET, A CENTRAL ANGLE OF 38°38'21" AND A CHORD BEARING N01°36'00"W, 179.31 FEET; THENCE N20°55'10"W, A DISTANCE OF 50.00 FEET; THENCE 267.47 FEET ALONG A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 229.00 FEET, A CENTRAL ANGLE OF 66°55'17", AND A CHORD BEARING N12°32'29"E, 252.53 FEET; THENCE N46°00'07"E, A DISTANCE OF 10.00 FEET; THENCE 31.42 FEET ALONG A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING S88°59'53"E, 28.28 FEET TO A POINT ON THE SOUTHERLY

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0402 - \$445.00 - 747 89

RIGHT-OF-WAY LINE OF PLUM CREEK PARKWAY FILING NO. 1 RECEPTION NO. 8735432; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY S43°59'53"E, A DISTANCE OF 14.00 FEET; THENCE 604.39 FEET ALONG A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1005.00 FEET, A CENTRAL ANGLE OF 34°27'25" AND A CHORD BEARING S61°13'36"E A DISTANCE OF 595.33 FEET TO A POINT OF TANGENCY; THENCE S78°27'18"E, A DISTANCE OF 547.99 FEET; THENCE 193.88 FEET ALONG A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1055.00 FEET, A CENTRAL ANGLE OF 10°31'47", AND A CHORD BEARING S83°43'12"E, 193.61 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13; THENCE DEPARTING SAID RIGHT-OF-WAY AND ALONG SAID EAST LINE S01°00'33"E, A DISTANCE OF 822.22 FEET; THENCE CONTINUING ALONG SAID EAST LINE S00°54'15"E, A DISTANCE OF 1315.30 FEET TO THE TRUE POINT OF BEGINNING; SAID PARCEL CONTAINING 27.75 ACRES MORE OR LESS.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0403 - \$445.00 - 75/ 89

Parcel 7

A PARCEL OF LAND LOCATED IN A PORTION OF THE WEST HALF OF SECTION 13 AND THE EAST HALF OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13; THENCE ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13 S89°55'45"W A DISTANCE OF 1317.60 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13, ALSO BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 13 N89°31'17"W A DISTANCE OF 1330.70 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE FILING NO. 1 RECEPTION NO. 8735431; THENCE DEPARTING SAID NORTH LINE AND ALONG SAID RIGHT-OF-WAY LINE THE FOLLOWING NINE (9) CONSECUTIVE COURSES: 1) THENCE 84.06 FEET ALONG THE ARC OF A NONTANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 250.00 FEET, A CENTRAL ANGLE OF 19°15'56" AND A CHORD BEARING N80°50'45"E, 83.67 FEET TO A POINT OF TANGENCY; 2) THENCE S89°31'17"E, 854.33 FEET TO A POINT OF CURVATURE; 3) THENCE 1147.51 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 416.00 FEET, A CENTRAL ANGLE OF 158°02'49" AND A CHORD BEARING N11°27'18"E, 816.78 FEET, TO A POINT OF TANGENCY; 4) THENCE N67°34'06"W, 256.39 FEET TO A POINT OF CURVATURE; 5) THENCE 483.27 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 309.00 FEET, A CENTRAL ANGLE OF 89°36'36" AND A CHORD BEARING N22°45'48"W, 435.50 FEET TO A POINT OF TANGENCY; 6) THENCE N22°02'30"E, 413.18 FEET TO A POINT OF CURVATURE; 7) THENCE 201.71 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 279.00 FEET, A CENTRAL ANGLE OF 41°25'26" AND A

CHORD BEARING N42°45'13"E, 197.35 FEET, TO A POINT OF TANGENCY; 8) THENCE N63°27'56"E, 184.36 FEET TO A POINT OF CURVATURE; 9) THENCE 105.33 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 271.00 FEET, CENTRAL ANGLE OF 22°06'09" AND A CHORD BEARING N52°19'52"E, 104.67 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY S06°32'06"E A DISTANCE OF 139.37 FEET; THENCE S41°43'37"E A DISTANCE OF 125.35 FEET; THENCE S63°32'50"E A DISTANCE OF 326.54 FEET; THENCE S72°05'23"E A DISTANCE OF 241.27 FEET; THENCE S82°11'01"E A DISTANCE OF 238.32 FEET; THENCE S11°33'25"W A DISTANCE OF 320.73 FEET; THENCE S22°16'57"W A DISTANCE OF 220.04 FEET; THENCE S07°25'19"E A DISTANCE OF 28.15 FEET; THENCE S01°18'34"W A DISTANCE OF 188.97 FEET; THENCE S21°08'14"E A DISTANCE OF 392.56 FEET; THENCE S02°53'52"E A DISTANCE OF 166.17 FEET; THENCE S25°04'21"W A DISTANCE OF 120.11 FEET; THENCE S83°54'44"W A DISTANCE OF 463.63 FEET; THENCE S13°34'21"W A DISTANCE OF 84.63 FEET; THENCE S89°55'45"W A DISTANCE OF 226.91 FEET TO THE TRUE POINT OF BEGINNING SAID PARCEL CONTAINING 38.47 ACRES MORE OR LESS.

WHICH PARCEL INCLUDES THE REAL PROPERTY INCLUDED WITHIN THAT CERTAIN PLAT DESCRIBED AS THE FINAL PLAT OF PLAYERS CROSSING AT PLUM CREEK VILLAGES SUBDIVISION, FILING NO. 1, RECORDED ON FEBRUARY 4, 1994 AT RECEPTION NO. 9407234, DOUGLAS COUNTY, COLORADO RECORDS.

Parcel 8

A PARCEL OF LAND LOCATED IN A PORTION OF THE EAST HALF OF SECTION 14 TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE OF ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 14; THENCE N00°32'13"W, 1323.46 FEET ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 14 TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14 S89°31'17"E, 1162.62 FEET TO THE TRUE POINT OF BEGINNING; THENCE DEPARTING SAID SECTION LINE N39°45'03"W, 372.56 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF THE TOURNAMENT PLAYERS CLUB AT PLUM CREEK, SUBDIVISION FILING NO. 1, RECEPTION NO. 305820; THENCE CONTINUING ALONG SAID BOUNDARY LINE N39°45'03"E, A DISTANCE OF 400.00 FEET; THENCE DEPARTING SAID BOUNDARY LINE THE FOLLOWING EIGHT (8) CONSECUTIVE COURSES: 1) THENCE N50°14'57"E, 498.58 FEET; 2) THENCE N28°52'12"E, 506.92 FEET; 3) THENCE N60°57'47"E, 98.22 FEET; 4) THENCE S21°00'28"E, 622.93 FEET; 5) THENCE S56°29'03"E, 749.80 FEET; 6) THENCE N81°11'31"E, 228.85 FEET; 7) THENCE S53°46'13"E, 60.00 FEET; 8) THENCE N36°13'47"E 120.07 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE AS DEDICATED BY EMERALD DRIVE SUBDIVISION, FILING NO. 1 RECEPTION NO. 8735431; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE THE FOLLOWING FOUR (4) CONSECUTIVE COURSES: 1) THENCE 662.82 FEET ALONG A NONTANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 366.00 FEET, A CENTRAL ANGLE OF 103°45'46" AND A CHORD BEARING S38°35'52"W, 575.89 FEET TO A POINT OF TANGENCY; 2) THENCE N89°31'17"W, 854.33 FEET TO A POINT OF CURVATURE; 3) THENCE 188.03 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 300.00 FEET, A CENTRAL ANGLE OF 35°54'43" AND A CHORD BEARING S72°31'22"W, 184.97 FEET TO A POINT OF

TANGENCY; 4) THENCE S54°34'00"W, 11.89 FEET TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE ALONG SAID SOUTH LINE N89°31'17"W, 14.21 FEET TO THE TRUE POINT OF BEGINNING, SAID PARCEL CONTAINING 27.98 ACRES, MORE OR LESS.

WHICH PARCEL INCLUDES PLUM CREEK FAIRWAY 11 SUBDIVISION, FILING NO. 1, AS DESCRIBED ON THE FINAL PLAT RECORDED ON SEPTEMBER 7, 1995 AT RECEPTION NO. 9542152, AS AMENDED BY PLUM CREEK FAIRWAY 11 SUBDIVISION, FILING NO. 1 - 1ST AMENDMENT, AS DESCRIBED ON THE FINAL PLAT RECORDED ON FEBRUARY 7, 1997 AT RECEPTION NO. 9707394, AND AS AMENDED BY PLUM CREEK FAIRWAY 11 SUBDIVISION, FILING NO. 1 - 2ND AMENDMENT, RECORDED ON June 16, 1997 AT RECEPTION NO. 9732309, DOUGLAS COUNTY, COLORADO RECORDS.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0407 - \$445.00 - 79/ 89

Parcel 9

A PARCEL OF LAND LOCATED IN A PORTION OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14, ALSO BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14 S89°31'17"E A DISTANCE OF 660.00 FEET TO A POINT ON THE EASTERLY BOUNDARY LINE OF THE TOURNAMENT PLAYERS CLUB AT PLUM CREEK SUBDIVISION FILING NO. 1, RECEPTION NO. 305820; THENCE ALONG SAID BOUNDARY LINE N00°28'43"E A DISTANCE OF 120.00 FEET; THENCE N58°21'54"E A DISTANCE OF 309.33 FEET; THENCE DEPARTING SAID BOUNDARY LINE S39°45'03"E A DISTANCE OF 372.56 FEET TO A POINT ON SAID NORTH LINE; THENCE ALONG SAID NORTH LINE S89°31'17"E A DISTANCE OF 14.21 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE FILING NO. 1 RECEPTION NO. 8735431; THENCE DEPARTING SAID NORTH LINE AND ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING SIX (6) CONSECUTIVE COURSES: 1) THENCE S54°34'00"W, 207.31 FEET TO A POINT OF CURVATURE; 2) THENCE 305.95 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 411.00 FEET, A CENTRAL ANGLE OF 42°39'06", AND A CHORD BEARING S75°53'33"W, 298.94 FEET TO A POINT OF TANGENCY; 3) THENCE N82°46'54"W, 207.08 FEET TO A POINT OF CURVATURE; 4) THENCE 358.24 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 329.00 FEET, A CENTRAL ANGLE OF 62°23'15" AND A CHORD BEARING S66°01'28"W, 340.80 FEET TO A POINT OF TANGENCY; 5) THENCE S34°49'51"W, 53.57 FEET TO A POINT OF CURVATURE; 6) THENCE 134.70 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 271.00 FEET, A CENTRAL ANGLE OF 28°28'46" AND A CHORD BEARING

EXHIBIT B
Page 14 of 19

S49°04'14"W, 133.32 FEET TO A POINT OF NONTANGENCY ON THE WEST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE ALONG SAID WEST LINE N00°32'13"W, 493.06 FEET TO THE TRUE POINT OF BEGINNING; SAID PARCEL CONTAINING 8.22 ACRES, MORE OR LESS.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0409 - \$445.00 - 81/ 89

Parcel 10

A PARCEL OF LAND LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE OF ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 14 ALSO BEING THE TRUE POINT OF BEGINNING; THENCE ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14 $N00^{\circ}32'13"W$, 775.71 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EMERALD DRIVE AS DEDICATED BY EMERALD DRIVE SUBDIVISION, FILING NO. 1 RECEPTION NO. 8735431; THENCE DEPARTING SAID WEST LINE AND ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING SEVEN (7) CONSECUTIVE COURSES:

- 1) THENCE 183.69 FEET ALONG THE ARC OF A NONTANGENT CURVE TO THE LEFT HAVING A RADIUS OF 321.00 FEET, A CENTRAL ANGLE OF $32^{\circ}47'11"$, A CHORD BEARING $N51^{\circ}13'26"W$, 181.19 FEET TO A POINT OF TANGENCY;
- 2) THENCE $N34^{\circ}49'51"E$, 53.57 FEET TO A POINT OF CURVATURE;
- 3) THENCE 303.79 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 279.00 FEET, A CENTRAL ANGLE OF $62^{\circ}23'15"$ AND A CHORD BEARING $N66^{\circ}01'29"E$, 289.01 FEET TO A POINT OF TANGENCY;
- 4) THENCE $S82^{\circ}46'54"E$, 207.08 FEET TO A POINT OF CURVATURE;
- 5) THENCE 343.17 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 461.00 FEET, A CENTRAL ANGLE OF $42^{\circ}39'06"$ AND A CHORD BEARING $N75^{\circ}53'33"E$, 335.30 FEET TO A POINT OF TANGENCY;
- 6) THENCE $N54^{\circ}34'00"E$, 299.20 FEET TO A POINT OF CURVATURE;
- 7) THENCE 72.64 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 250.00 FEET, A CENTRAL ANGLE OF $16^{\circ}38'47"$ AND A CHORD BEARING $N62^{\circ}53'24"E$, 72.38 FEET TO A POINT OF NONTANGENCY ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE

ALONG SAID NORTH LINE S89°31'17"E, 25.38 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; S00°50'29"E, 1321.61 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 14; THENCE ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 23, S00°52'06"E, 202.81 FEET TO A POINT ON A CURVE ON THE CENTERLINE OF A ROADWAY EASEMENT AS RECORDED IN BOOK 178, PAGE 261; THENCE DEPARTING SAID EASTERLY LINE AND ALONG THE CENTERLINE OF SAID ROADWAY EASEMENT FOR THE FOLLOWING TWO (2) CONSECUTIVE COURSES: 1) THENCE 57.94 FEET ALONG THE ARC OF A NONTANGENT CURVE TO THE LEFT HAVING A RADIUS OF 734.20 FEET, A CENTRAL ANGLE OF 04°31'19" AND A CHORD BEARING N61°52'33"W, 57.94 FEET TO A POINT OF TANGENCY; 2) THENCE N64°08'13"W, 95.20 FEET; THENCE DEPARTING SAID CENTERLINE S44°56'35"W, 1673.76 FEET TO THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 23; THENCE ALONG THE WESTERLY LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 23 N00°09'44"E, 1327.61 FEET TO THE TRUE POINT OF BEGINNING; SAID PARCEL CONTAINING 52.21 ACRES, MORE OR LESS.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0411 - \$445.00 - 83/ 89

PARCEL A:

ALL THAT PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, A DISTANCE OF 1,315.08 FEET TO THE SOUTHWEST CORNER OF SAID NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23; THENCE NORTHEASTERLY ALONG A STRAIGHT LINE TO THE NORTHEAST CORNER OF SAID NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, A DISTANCE OF 1,668.45 FEET TO A POINT ON THE CENTER LINE OF A ROADWAY EASEMENT; THENCE ON AN ANGLE TO 70 DEGREES 49 MINUTES 17 SECONDS TO THE RIGHT; A DISTANCE OF 92.62 FEET; THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 734.2 FEET; BEING TANGENT TO THE LAST DESCRIBED COURSE AN ARC DISTANCE OF 57.96 FEET TO A POINT ON THE EAST LINE OF SAID NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, WHICH POINT IS 202.06 FEET SOUTH OF THE NORTHEAST CORNER OF SAID NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23; THENCE SOUTH ALONG SAID EAST LINE, A DISTANCE OF 1,120.59 FEET TO THE POINT OF BEGINNING.

PARCEL B:

EASEMENT FOR INGRESS AND EGRESS DESCRIBED IN BOOK 178 AT PAGE 261.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0412 - \$445.00 - 84/ 89

Excepting any portion of the real property described on Exhibit B hereto, pages 1 through 18, which is described on Exhibit A hereto, and

excepting Lot 1, Plum Creek Commercial Subdivision, Filing No. 1, as described on the Final Plat recorded on September 11, 1985 at Reception No. 361819, Douglas County, Colorado records.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0413 - \$445.00 - 85/ 89

EXHIBIT "C"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's submission of the Claim to arbitration ("Arbitration Notice").

2. The Parties shall select arbitrators ("Party Appointed Arbitrators") as follows: all the Claimants shall agree upon one (1) Party Appointed Arbitrator, and all the Respondents shall agree upon one (1) Party Appointed Arbitrator. The Party Appointed Arbitrators shall, by agreement, select one neutral arbitrator ("Neutral") so that the total arbitration panel ("Panel") has three (3) arbitrators.

3. If the Panel is not selected under Rule 2 within 45 days from the date of the Arbitration Notice, any party may notify the nearest chapter of The Community Associations Institute, for any dispute arising under the governing documents, or the American Arbitration Association, or such other independent body providing arbitration services, for any dispute relating to the design or construction of improvements on the Properties, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in arbitration in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral or Appointed Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral or Appointed Neutral after receipt of that Neutral's Bias Disclosure, such Neutral or Appointed Neutral shall be replaced in the same manner in which that Neutral or Appointed Neutral was selected.

5. The Appointed Neutral or Neutral, as the case may be ("Arbitrator") shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately.

6. Any Party may be represented by an attorney or representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but shall hear Claimant's case and decide accordingly.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is barred by the statute of limitations.

8. There shall be no stenographic record of the proceedings.

9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as it deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.

10. If the Arbitrator decides that it has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance shall be determined by the Arbitrator in the Arbitrator's discretion. Such independent professional must not have any bias or financial or personal interest in the outcome of the arbitration, and shall immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of any professional after receipt of a Bias Disclosure, such professional shall be replaced by another independent licensed professional selected by the Arbitrator.

11. No formal discovery shall be conducted in the absence of express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least 30 days prior to the hearing; provided, however, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim, and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

12. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

13. There will be no posthearing briefs.

14. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

Any and all easements as shown on any recorded plat depicting all or any portion of the Common Interest Community

together with

The following easement created by the Ratification and Correction of the Final Plat for Plum Creek Fairway 11 Subdivision, Filing No. 1, recorded on December 14, 1995 at Reception No. 9559898, in Book 1306 at Page 1129:

Tracts E, F, G, H, K, L, M and N are for private common landscaped area, private roadways to provide ingress and egress to each of the lots shown on the plat, and utilities, and will be dedicated to the homeowners' association for maintenance.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0417 - \$445.00 - 89/ 89

EXHIBIT D

COPIES OF THIS DOCUMENT
WARRANTY
10/10/97 00:00:00

15. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.

16. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0416 - \$445.00 - 88/ 89

Any and all easements as shown on any recorded plat depicting all or any portion of the Common Interest Community

together with

The following easement created by the Ratification and Correction of the Final Plat for Plum Creek Fairway 11 Subdivision, Filing No. 1, recorded on December 14, 1995 at Reception No. 9559898, in Book 1306 at Page 1129:

Tracts E, F, G, H, K, L, M and N are for private common landscaped area, private roadways to provide ingress and egress to each of the lots shown on the plat, and utilities, and will be dedicated to the homeowners' association for maintenance.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0417 - \$445.00 - 89/ 89

EXHIBIT D

15. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.

16. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.

9756420 - 10/07/97 11:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1472 - P0416 - \$445.00 - 88/ 89

DELEGATION OF DESIGN GUIDELINES AUTHORITY

DC9811920

Pursuant to the provisions of Article 4.1 of the Master Declaration Creating Covenants, Conditions, Restrictions and Easements for Plum Creek North recorded on October 7, 1997 in Book 1472, Page 329, at Reception No. 9756420 of the records of the Clerk and Recorder of Douglas County, Colorado (the "Master Declaration"), the Plum Creek North Master Association hereby irrevocably delegates all responsibility for adopting design guidelines and administration and enforcement of architectural standards and controls ("Design Guidelines Authority") to The Peninsula at Plum Creek Homeowners Association with respect to all real property which is subject to the Declaration Creating Covenants, Conditions, Restrictions and Easements of The Peninsula at Plum Creek, County of Douglas, State of Colorado ("The Peninsula at Plum Creek Declaration"). In the event of any conflict between the provision of the Master Declaration and The Peninsula at Plum Creek Declaration, pertaining to Architectural Standards, controls and procedures, the provisions of The Peninsula at Plum Creek Declaration shall prevail.

Date: 2-12-98

PLUM CREEK NORTH MASTER HOMEOWNERS ASSOCIATION, INC.

By: [Signature]
Keith Worley, Vice President

STATE OF COLORADO)
)
COUNTY OF Douglas) ss.

Acknowledged before me this 12th day of February, 1998 by Keith Worley as Vice President of Plum Creek North Master Homeowners Association, Inc.

Witness my hand and official seal.

My commission expires February 19, 1999

(SEAL)

[Signature]

DOUGLAS COUNTY CLERK & RECORDER
RETA A. CRAIN
1000 14TH STREET
BOULDER, CO 80502
PHONE 440-4600
FAX 440-4601