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TRACY K. BAKER
ARAPAHOE COUNTY

**DECLARATION
FOR
HILLCREST AT THE FARM**

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**DECLARATION FOR
HILLCREST AT THE FARM**

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THIS DECLARATION is made on the date hereinafter set forth by ARAPAHOE 114, LLC, a Colorado limited liability company, with offices at 9034 East Easter Place, #202, Englewood, Colorado 80112 (referred to throughout as "Declarant").

RECITALS

I. On the date of recordation of this Declaration, Declarant holds a contract interest in certain real property located in Arapahoe County, State of Colorado, which is more particularly described on Exhibit A attached hereto and incorporated herein by reference as though set forth in full.

II. Declarant desires to create a Common Interest Community on the real property described on Exhibit A and such additional real property as may be added to this Community pursuant to this Declaration. Portions of said real property will be designated for separate ownership and a portion will be owned by, leased to, or under the control of an association of unit owners.

III. This Common Interest Community shall be subject to the terms and conditions of that certain Master Declaration (as that term is defined below), and the association of unit owners shall be a "Subassociation" as that term is defined in the Master Declaration.

IV. Declarant has caused to be incorporated under the laws of the State of Colorado, Hillcrest at the Farm Owners Association, Inc., a nonprofit corporation, for the purpose of exercising the functions as herein set forth.

**ARTICLE 1
SUBMISSION OF REAL ESTATE; DEFINED TERMS**

Section 1.1 Submission of Real Estate. The Declarant, owner in fee simple of the real estate described on Exhibit A, hereby submits this initial real estate, together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon, together with such additional real property as may be added pursuant to this Declaration (collectively, the "Real Estate") to the provisions of the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101 et seq., as it may be amended from time to time (the "Act"). The Act, as so amended until repealed, shall remain applicable. Declarant further declares that all of the Real Estate shall be held or sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Real Estate and be binding on all parties having any right, title or interest in the Real Estate or any part thereof, their heirs, legal representatives, successors, and assigns, and shall inure to the benefit of each Owner. For purposes of the Act, the Common Interest Community shall be a Planned Community.

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Section 1.2 Defined Terms. Each capitalized term not otherwise defined in this Declaration, the Master Declaration, or in recorded plats or maps for this Planned Community shall have the meaning specified or used in the Act.

Allocated Interests. The Common Expense liability and votes in the Association allocated to each Unit pursuant to the terms of this Declaration. The Allocated Interests shall be determined pursuant to the formula set forth in Article 15 below.

Approved Builder. Any person or group of persons designated as such by the Declarant in an instrument recorded in the real property records for Arapahoe County, who purchase: (i) a portion of the Real Estate, or (ii) multiple Units, for the purpose of constructing improvements thereon and for resale to the general public. All Approved Builders are also Owners; however, Approved Builders shall be "dealers" and not "purchasers" as those terms are used in the Act.

Articles of Incorporation. The Articles of Incorporation for Hillcrest at the Farm Owners Association, a Colorado nonprofit corporation, as the same may be amended from time to time.

Association. HILLCREST AT THE FARM OWNERS ASSOCIATION, INC., a Colorado non-profit corporation, its successors and assigns.

Bylaws. The Bylaws of the Association as the same may be amended from time to time.

Common Elements. All real and personal property which the Association owns, leases or otherwise holds possessory or use rights in and for the common use and enjoyment of the Owners, which includes certain landscaping easement areas, and all streets, sidewalks and walkways within the Real Estate. The initial Common Elements are shown on Exhibit B attached hereto and incorporated herein.

Common Expenses. As used in this Declaration, this term includes all charges levied by and for the benefit of the Association, pursuant to the Governing Documents, including, but not limited to: (i) annual costs and expenses of the Association resulting from owning, leasing, using, maintaining, or otherwise controlling any real property and the Common Elements; (ii) large, single item expenditures of the Association (including but not limited to, capital expenditures and "Special Assessments," as defined in Section 7.8 below); and (iii) amounts necessary to fund reserves pursuant to Section 7.7 below.

Common Expense Assessment(s); Assessment(s). In addition to the definition included in the Act, these terms shall include these items levied against a particular Owner or Unit: (i) the Owner's allocated interest in the Common Expenses; (ii) late charges, attorneys' fees, fines, and interest charged by the Association at the rate as determined by the Executive Board, (ii) charges against a particular Owner and the Unit for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner or Related Users, and (iv) insurance assessments (assessed in proportion to risk pursuant to the Governing Documents).

Community; Common Interest Community. The planned community of "Hillcrest at the Farm" and personal property therein created by this Declaration.

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Covenants. Collective term for all promises, restrictions, reservations, conditions, terms, easements, and rights-of-way specifically set forth or referenced in this Declaration and set forth in the Governing Documents, as the same may be adopted and amended from time to time.

Declarant. Arapahoe 114, LLC, a Colorado limited liability company qualified to do business in Colorado, and any person or group of persons (including but not limited to Approved Builders) who reserves or succeeds to any special declarant right in accordance with the Act and this Declaration.

Declaration. This Declaration, and any and all duly executed amendments, supplements, or additions to this Declaration recorded in the office of the Clerk and Recorder for Arapahoe County, Colorado, and including any maps or plats recorded in connection therewith.

Design Guidelines. Collective reference to all written design and development guidelines, policies and procedures, application and review procedures and fee schedules, and all architectural controls which shall apply to all construction and other improvement activities within the Real Estate, and which are enacted by the Executive Board pursuant to its rule-making authority.

Design Review Board ("DRB"). The DRB created by the Declarant for the purpose of establishing and administering architectural control over the Common Interest Community to insure the proper and appropriate and harmonious development and improvement of the Common Interest Community, including enforcing Design Guidelines, Owner's maintenance responsibilities and other provisions of the Governing Documents.

Expansion Property. The real property described in Exhibit C attached hereto which may be added to the Community pursuant to the rights reserved herein.

First Mortgage. A Mortgage which is subject only to governmental liens, the lien for real property taxes, a portion of the Common Expense Assessment, and other liens made superior by Colorado law.

First Mortgagee. A bank, savings and loan association, insurance company, real estate mortgage investment trust, pension fund, agency of the United States Government, mortgage banker, or any other lender, or the Declarant, holding a First Mortgage.

Governing Documents. Collective reference to those documents which govern the operation of the Association and the Community, including: (a) its Articles of Incorporation; (b) its Bylaws; (c) its Rules and Regulations (including the Design Guidelines); (d) all recorded plats affecting the Community; (e) the Master Association Documents (to the extent the provisions therein are applicable to this Community); and (f) this Declaration, as one or more of the same may be amended from time to time. Each and every provision of the Governing Documents shall be given the force and effect as if set forth in this Declaration.

Master Association. The Farm at Arapahoe County Homeowners' Association, Inc., a Colorado non-profit corporation, its successors and assigns, which has the power, duty, and responsibility for administering and enforcing the Master Declaration.

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Master Association Documents. Collective reference to the Master Declaration, The Farm at Arapahoe County Homeowners' Association, Inc. Articles of Incorporation, the bylaws of the Master Association, and all rules and regulations enacted by the Master Association board of directors, as each may be amended from time to time.

Master Declaration. That Master Declaration of Covenants, Conditions, and Restrictions for The Farm at Arapahoe County, recorded on March 25, 1998, at Reception No. A8040928, in the real estate records of Arapahoe County, Colorado, as it may be amended and supplemented from time to time.

Mortgage. Any interest in real property created by contract or conveyance as security for payment of a debt a performance of an obligation as used in the Declaration the term shall have the same meaning as set forth in the Master Declaration.

Owner. One or more individuals or entities who hold the record title to any Unit, excluding those having such interest merely as security for the performance of an obligation.

Plat. Collective reference to The Farm at Arapahoe County, Filing No. 7, recorded on September 6, 1999 in Plat Book 168, pages 27 through 33, inclusive, in the records of the Clerk and Recorder of Arapahoe County, Colorado or Plat for The Farm at Arapahoe County, Filing No. 8, not yet recorded but which real property may be added to the Real Estate pursuant to the expansion rights reserved herein, and any amendments or replats thereof of all or a portion of land within the Community. The "Notes" on the various sheets comprising the Plat are hereby incorporated herein by this reference and shall be fully enforceable as though set forth herein.

Related User. Any person who: (a) resides with an Owner within the Unit; (b) is a guest or invitee of an Owner; (c) is an occupant or tenant of a Unit; and (d) any family member, guest, invitee or cohabitant of the foregoing.

Residence. The primary dwelling unit and related improvements constructed by Declarant or an Approved Builder.

Rules and Regulations. Collective term for all rules, regulations, policies, procedures and guidelines of the Association, in general, and the Design Guidelines, specifically, as the same may be adopted and amended from time to time by the Executive Board pursuant to the Act, this Declaration and the Bylaws.

The Farm at Arapahoe County. The real property located in Arapahoe County, Colorado, which is made subject to the jurisdiction of the Master Association by the Master Declaration.

Unit. A portion of the Real Estate designated for separate ownership, together with any improvements thereon, as described by reference to the numbered lots of land shown upon the Plat. Without regard to the term used in this Declaration or the Plat, each "lot" shall be considered a "unit" as that term is defined by the Act. All "Lots", including "Finished Lots" are Units.

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ARTICLE 2
GENERAL STATEMENT OF COVENANTS

Section 2.1 Covenants Bind the Real Estate. The Real Estate shall be held, sold, and conveyed subject to the Covenants for the purpose of protecting the value and desirability of the Real Estate and any other purposes incidental thereto, and all Covenants shall continue to run with the Real Estate and shall be binding on all parties having any right, title or interest in the Real Estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Owner thereof and the Association.

Section 2.2 Relationship to the Master Association. The Real Estate of this Common Interest Community lies within the real property described in the Plat and is bound by the terms and conditions of the Master Declaration. This Declaration is intended to supplement the Master Declaration as it applies to the Real Estate. All Owners within the Community are also members of the Master Association.

In addition to all of the rights and obligations which are conferred or imposed upon the Association pursuant to the Governing Documents, the Association shall be entitled to exercise any of the rights conferred upon it and shall be subject to all of the obligations imposed upon it pursuant to the Master Declaration and all instruments creating or governing the Master Association. The Association and all committees thereof shall also be subject to all superior rights and powers which have been conferred upon the Master Association pursuant to the Master Association Documents. The Association shall have no authority to take action in derogation of the rights, or contrary to the interests, of the Master Association.

All provisions of the Master Declaration are supplemented by the provisions contained in this Declaration, as more particularly set forth below. To the extent that a conflict exists between a provision of the Master Declaration and that contained herein, the provision set forth in the Master Declaration shall control, but only to the extent necessary to avoid invalidating an explicit provision of the Master Declaration. Provisions in this Declaration which are more restrictive or more specific shall be considered to supplement those in the Master Declaration, and such provisions shall not be construed to conflict with those of the Master Declaration.

Section 2.3 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Elements, subject to the following provisions:

2.3.1 The Governing Documents, the Master Association Documents and any other applicable Covenants;

2.3.2 Any restrictions or limitations contained in any deed conveying Common Elements to the Association;

2.3.3 The right of the Association to exercise all powers and duties pursuant to Article 5 below, other applicable provisions of the Governing Documents, and the Act;

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2.3.4 The right of the Executive Board to adopt and amend, from time to time, Rules and Regulations concerning all or any portion of the Real Estate and any improvements located thereon, as the Association may determine is necessary or prudent;

2.3.5 The right of the Association to enter into and execute contracts with any party for the purpose of providing management, maintenance or other materials and services to the Association and the Owners consistent with the purposes of the Association, this Declaration and the Act;

2.3.6 The right of the Association to grant permits, licenses and easements over the Common Elements for utilities, roads, and other purposes deemed appropriate by the Executive Board;

2.3.7 The right of the Association to dedicate or transfer all or any part of the Common Elements;

2.3.8 The right of the Association 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 approval requirements set forth below; and

2.3.9 The right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements.

Section 2.4 Delegation of Use. Any Owner may delegate his right of enjoyment of the Common Elements to Related Users. An Owner who does not reside at his Unit but permits occupancy of the Unit by a Related User pursuant to a valid lease shall be deemed to have delegated his rights to use the Common Elements to such Related User.

ARTICLE 3
UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 3.1 Number of Units. The number of Units initially included in the Common Interest Community is nineteen (19). The Declarant reserves the right to create and add, at any time and from time to time pursuant to the Act and this Declaration, up to a maximum of three hundred seventeen (317) Units or the maximum number of Units allowed by any governmental entity having jurisdiction over the Real Estate (including the Expansion Property described on Exhibit C, whichever is higher (the "Maximum Units"). Declarant shall not be obligated to expand the Community beyond the number of Units initially submitted to this Declaration.

Section 3.2 Identification of Units/Unit Descriptions. Every contract for sale, deed, lease, or security interest with another legal instrument shall legally describe a Unit by its identifying lot number as shown on the Plat and as more particularly provided in the Master Declaration.

Section 3.3 Common Elements. The initial Common Elements are described on Exhibit B. There are no Limited Common Elements in the Community at this time.

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ARTICLE 4
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 4.1 Membership and Voting. Every Owner of any Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit, and ownership of a Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be Members, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. One vote in the affairs of the Association and the Community is allocated to each Unit, and in no event shall more than one vote be cast with respect to any Unit, or no less than one vote be cast with respect to any Unit, and the vote cannot be split in any manner.

Section 4.2 Rights Subject to Governing Documents. Membership and voting rights are subject to the Governing Documents.

Section 4.3 Declarant Control. The Declarant shall have the powers reserved in Section 305(5) of the Act to appoint and remove officers and members of the Executive Board.

4.3.1 Turnover Date. The period of Declarant control terminates no later than the earlier of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Maximum Units in the ordinary course of business to Owners who are not the Declarant or an Approved Builder; or (ii) two (2) years after the right to add new Units was last exercised; or (iii) two (2) years after the last conveyance of a Unit in the ordinary course of business to Owners who are not the Declarant or an Approved Builder ("Turnover Date").

4.3.2 Executive Board Election. Until the Turnover Date:

(a) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Maximum Units to Owners other than the Declarant or an Approved Builder, at least one member and not less than twenty-five percent of the members of the Executive Board must be elected by Owners other than the Declarant or Approved Builders.

(b) Not later than sixty (60) days after conveyance of fifty percent (50%) of the Maximum Units to Owners other than the Declarant or an Approved Builder, not less than thirty-three and one-third percent of the members of the Executive Board must be elected by Owners other than the Declarant or Approved Builders.

4.3.3 Declarant May Relinquish Rights. At any time prior to the Turnover Date, the Declarant may relinquish the right to appoint and remove Executive Board members but may require certain specific actions of the Executive Board to be approved by the Declarant.

ARTICLE 5
THE ASSOCIATION

Section 5.1 General Purposes and Powers. The Association, acting in all instances through its Executive Board unless otherwise required by the Act or this Declaration, shall perform

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such functions and manage the Common Interest Community as provided in this Declaration so as to further the interests of the Owners. Specifically, the Association shall manage and control the Common Elements and all improvements thereon (including, without limitation: driveways, roads, parking and any fences, walls, signs, utility improvements, furnishing, equipment, and landscaping) and shall keep them in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the community-wide standard, subject to the right to assign such responsibilities to the Master Association by mutual agreement. The Association shall have all power necessary or desirable to effectuate such purposes and shall act pursuant to the Governing Documents. All Owners shall be deemed to have assented to, ratified and approved such designation of rights, duties, and authority.

Section 5.2 Powers; Duties. The Association, acting in all instances by and through the Executive Board unless specifically reserved to its members, shall have the following specific powers and duties:

5.2.1 The Association shall have all of the powers, authority and duties permitted pursuant to the Act and the Colorado Revised Nonprofit Corporation Act, C.R.S. 7-121-101 et seq.

5.2.2 The Association shall have all of the powers, authority and duties necessary and proper to manage the business affairs of the Common Interest Community.

5.2.3 The Association shall have all of the powers, authority and duties necessary and proper to own, operate, manage, lease, encumber, maintain, repair, reconstruct, replace, improve, and otherwise deal with the Common Elements, including the right to acquire additional Common Elements and to construct improvements thereon.

5.2.4 The Association shall have the irrevocable right to have access to each Unit from time to time during reasonable hours to the extent deemed necessary for the maintenance, repair or replacement of any Common Elements, or at any time and by force, if necessary, to prevent damage to any real or personal property within the Common Interest Community.

5.2.5 The Association may undertake any activity, function or service for the benefit or to further the interests of the Owners.

5.2.6 The Association shall have the absolute right to engage a community association manager as more particularly provided in the Bylaws.

5.2.7 The Association may assign its future income, including its rights to receive Common Expense Assessments, upon the affirmative vote of the Owners to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose, in accordance with the Bylaws.

5.2.8 The Association shall have complete authority and control to issue and amend restrictions on use and occupancy of the Units in addition to those contained in this Declaration.

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5.2.9 The Association shall establish and enforce Design Guidelines and other Rules and Regulations as it deems necessary to ensure the proper use, development, improvement, repair, maintenance and replacement of real and personal property within the Common Interest Community, and, subject to the provisions of Article 8 below, to appoint persons to serve on the Design Review Board.

Section 5.3 Enforcement. The Association shall have the power to enforce provisions in its Governing Documents and shall take such action as the Executive Board deems desirable to cause such compliance by each Owner and each Related User, by any of the following means:

5.3.1 By entry upon any Unit after notice and an opportunity to be heard (unless a bona fide emergency exists), without liability to the Owner thereof, for the purpose of enforcement or causing compliance including by curing said violation;

5.3.2 By commencing and maintaining actions and suits: (i) to recover damages; or (ii) to restrain and enjoin any violation or threatened violation of, or compel compliance with, provisions of the Governing Documents by mandatory injunction or otherwise;

5.3.3 By exclusion of any Owner or Related User from use of any recreation facilities or Common Elements for a period of sixty (60) days following any violation, or so long as the violation continues, whichever is longer;

5.3.4 By suspension of the voting rights of an Owner for up to thirty (30) days following any violation, or so long as the violation continues, whichever is longer;

5.3.5 By levying and collecting, after notice and an opportunity to be heard, fines against any Owner for violation by such Owner or a Related User, as a Common Expense Assessment to be secured by a continuing lien, from the date it is levied, and by foreclosure of such lien.

Section 5.4 Association Agreements. Any agreement for professional management of the Common Interest Community or any contract providing for services of the Declarant may not exceed one (1) year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or a penalty upon thirty (30) days written notice. The Association shall not be bound either directly or indirectly to a contract or lease (including management contracts) entered into during the Declarant control period unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after the Termination Date upon not more than thirty (30) days notice to the other party thereto.

Section 5.5 Indemnification. To the full extent provided by the Bylaws and as permitted by law, each officer, committee member and member of the Executive Board of the Association shall be and are hereby indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer, committee member, or member of the Executive Board of the Association, or any settlements thereof, whether or not they are an officer, committee member, or member of the Executive Board.

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of the Association at the time such expenses are incurred; except in such cases wherein such officer or Executive Board member is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Executive Board approves such settlement and reimbursement as being in the best interests of the Association.

Section 5.6 Right to Notice and Comment. Pursuant to C.R.S. § 38-33.3-205(1)(o), before the Executive Board amends the Bylaws or adopts or amends Rules and Regulations, or whenever the Governing Documents require that an action be taken after "Notice and Comment," and at any other time the Executive Board determines, the Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Further, any Owner may give "Notice and Comment" to the Owners of any matter affecting the Common Interest Community, and Owners shall then have the right to comment, orally or in writing, on the matter. Notice shall be given to each Owner in writing, delivered personally or by mail to all Owners at such address as appears in the records of the Association, or notice shall be published in a newsletter or similar publication which is routinely circulated to all Owners. The Notice shall be given not less than three days before the proposed action is to be taken. The Notice shall invite comment to the Executive Board or an Owner, orally or in writing before the scheduled time of any meeting.

Section 5.7 Disclaimer Regarding Security. The Association and the Master Association may, but shall not be obligated to, maintain or support certain activities within the Real Estate designed to make the Real Estate safer than it otherwise might be. The Association, the Master Association, the Declarant under the Master Declaration ("Master Declarant"), the Declarant hereunder, any Successor Declarant, any Approved Builder, or any representative or agent of the foregoing, shall in no way be considered insurers or guarantors of security within the Real Estate, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that access gates constitute any form of security, and no representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and Covenants to inform all Related Users of the terms of this Section 5.7 and that such Related User and anyone within the Real Estate assumes all risks for loss or damage to persons and to property resulting from acts or failure to act of third parties.

ARTICLE 6
MAINTENANCE AND IMPROVEMENT OF THE REAL ESTATE

Section 6.1 Association Responsibilities -- General. Except as otherwise specifically provided in this Declaration, the Executive Board shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance responsibilities. The Association shall maintain the following and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof:

6.1.1 All landscaping and other flora, open space, structures, and improvements, including, without limitation, any driveways, roads, walls, fences, signs, sidewalks, streetlights,

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signage, and entrance signage and other entrance features, storm water detention facilities or other utility improvements situated upon the Common Elements;

6.1.2 Routine maintenance and winterizing (to the extent that the Executive Board deems winterizing necessary) of the irrigation and sprinkler system(s), if any, serving the Common Elements; (the Association shall have no responsibility for maintenance and winterizing of, repairs to or replacement of the irrigation system lying within the boundaries of any Unit except to the extent expressly assumed by the Executive Board); and

6.1.3 Such portions of any additional property (including but not limited to portions of Expansion Property) as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association.

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

In the event that the Association fails to perform its responsibilities hereunder or under the Master Declaration, or otherwise agrees with the Master Association, the Master Association shall be authorized to assume such maintenance responsibilities and to assess all costs thereof against the Owners and their Units in equal shares, such assessments constituting a lien against each Unit which may be collected in the same manner as the lien for any assessment under the Master Declaration.

Section 6.2 Owner's Responsibility. Each Owner shall be responsible for maintaining his or her Unit and all structures, driveways, sidewalks, parking areas, landscaping drainage, and other improvements comprising the Unit, and all landscaping and other flora located within any public right of way over or upon the Unit except to the extent that such maintenance responsibility is assigned to or otherwise assumed by the Association or the Master Association as provided in Section 6.1. Each Owner shall be responsible for irrigating and sodding of lawn areas within the Owner's Unit, as needed; replacing landscaping materials; replacing flower beds; and maintenance, winterizing, repairing and replacing, as necessary, the irrigation and sprinkler system serving the Unit and any damage to landscaping resulting from such repairs or replacements.

In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibilities, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as a Common Expense Assessment. 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.

Section 6.3 Standard of Performance. Except as otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility of maintenance shall include responsibility for repair and replacement, as necessary. Neither the Association nor an Owner shall 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.

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ARTICLE 7
COVENANT FOR COMMON EXPENSE ASSESSMENT

Section 7.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant, for each Unit, shall be deemed to covenant and agree, and each Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association Assessments pursuant to the Governing Documents. Such Assessments shall be the personal obligation of the Owner of such Unit at the time when the Assessment or other charges became due. The Assessments shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such Assessment is made. If any Assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due. The personal obligation to pay any past due sums shall not pass to a successor in title unless expressly assumed by them. No Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense Assessments are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

Section 7.2 Apportionment of Common Expenses. Except as provided below and elsewhere in this Declaration, all Common Expense Assessments shall be assessed against all Units in accordance with the formula for liability for the Common Expenses as set forth in this Declaration in Article 15 below:

7.2.1 Any Common Expense for services provided by the Association to an individual Unit pursuant to the Governing Documents or at the request of the Owner may be assessed against that Unit.

7.2.2 Any Common Expense for insurance may be assessed in proportion to risk.

7.2.3 Any Common Expense for utility services may be assessed in proportion to usage.

7.2.4 If a Common Expense is caused by the misconduct of an Owner, the Association may assess that expense exclusively against that Owner and that Unit.

7.2.5 Fees, charges, taxes, impositions, late charges, fines, collection costs and interest charged against an Owner are enforceable as Common Expense Assessments.

Section 7.3 Purpose of Assessments. In addition to such other purposes as set forth in the Act, Assessments shall be used for the purposes of promoting the health, safety, and welfare of Owners and Related Users, and in particular:

7.3.1 To enforce all provisions of the Governing Documents;

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7.3.2 To exercise all rights and powers and to discharge all duties and obligations pursuant to the Act and the Governing Documents;

7.3.3 To discharge all expenses incurred by the Association in the alteration, improvement, construction, reconstruction, repair, maintenance or replacement of the Common Elements and all improvements located thereon, including fixtures and personal property related thereto;

7.3.4 To discharge all expenses incurred by the Association in the alteration, maintenance, repair and replacement of any property the Association may choose so alter, maintain, repair or replace pursuant to the Governing Documents; and

7.3.5 To fund any operating deficit or reserves the Association deems necessary to meet its financial obligations.

Section 7.4 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment shall be made on an annual basis against all Units based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year. The budget shall be submitted to the Owners, pursuant to Section 303(4) of the Act. Common Expense Assessments shall be due and payable annually or in periodic installments, or in any other manner, as determined by the Executive Board. Common Expense Assessments may begin on the first day of the month in which conveyance of the first Unit to an Owner other than the Declarant occurs. The omission or failure of the Executive Board to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

Section 7.5 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a First Mortgage on the Unit (except as allowed by the Act with regard to the Association's limited lien priority); (3) liens for real estate taxes and other governmental assessments or charges against the Unit; and (4) the lien for assessments and other charges levied by the Master Association pursuant to the Master Declaration. This Section does not affect the priority of mechanics or materialmen's liens. The lien of the Association under this Article is not subject to the provisions of any Homestead exemption as allowed by state or federal law. Sale or transfer of any Unit shall not affect the lien for said Assessments except that the sale or transfer of any Unit pursuant to foreclosure of any First Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment as provided by applicable law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any Assessment charges thereafter becoming due nor from the lien thereof.

Section 7.6 Installments; Assessments. The Executive Board may determine that any Common Expense Assessment shall be payable in installments and may also elect to accelerate the installments remaining for such Assessment.

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Section 7.7 Reserves/Surplus. The Association shall establish an adequate reserve fund for the maintenance, repair and replacement of those Common Elements that must be periodically maintained, repaired or replaced. Such reserve fund shall be funded through the monthly payments of the annual Common Expense Assessments. Any surplus funds derived from Assessments shall be transferred to the reserve fund or used for Association operations, in the Executive Board's sole discretion.

Section 7.8 Special Assessments. The Association may at any time, from time to time, determine, levy and assess a Special Assessment applicable to that particular assessment year for the purpose of defraying, in whole or in part, payments for any operating deficit and/or unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of a capital improvement and any fixtures or personal property related thereto, and any acquisition of real property. Any such Special Assessment shall be due and payable as determined by the Executive Board. The term "capital improvements," as used herein, shall mean the construction, erection, installation, maintenance, repair or replacement of Common Elements (including those which may hereafter be constructed, erected or installed on the Real Estate). Notice in writing setting forth the amount of such Special Assessment per Unit and the due date for payment thereof shall be given to the Owners not less than thirty (30) days prior to such due date.

Section 7.9 Effect of Non-Payment of Assessments. Any Assessment provided for in this Declaration, or any installment thereof, which is not fully paid within ten (10) days after the due date thereof, shall bear interest at the rate of twenty-one percent (21%) per annum or at such lesser rate as may be set by the Executive Board from time to time from the due date, and the Association may assess a monthly late charge thereon. Failure to make payment within the sixty (60) days of the due date thereof shall cause the total amount of such Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Unit. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, or any monthly or other installment thereof, may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien therefor. The Association's costs of suit, expenses and reasonable attorneys' fees incurred simply by virtue of the failure of the Owner to timely pay Assessments when due, including attorneys' fees and costs for preparing and recording any lien notice, and the Association's costs of suit, expenses and reasonable attorneys' fees incurred for any such action and/or foreclosure proceedings, shall be taxed by the court as a part of the costs of any such action or foreclosure proceeding and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds of the foreclosure sale of such Owner's Unit. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessments, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, and cast the votes appurtenant to such Unit, and to convey or otherwise deal with the same. The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the Unit which accrued prior to the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

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Section 7.10 No Waiver or Abandonment. No Owner may be exempt from liability for payment of the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit against which the Assessments are made.

Section 7.11 Declaration is Notice. Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation is required. However, the Executive Board may prepare and record in the real property records of Arapahoe County, Colorado, a written notice setting forth the amount of any unpaid indebtedness, the name of the Owner, and a description of the Unit.

ARTICLE 8
DESIGN REVIEW

Section 8.1 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, or planting or removal of landscaping materials, shall take place except in compliance with the architectural review procedures and restrictions set forth in the Master Declaration, this Declaration and the Design Guidelines. No provision in this Article and the Design Guidelines shall apply to improvements to the Common Elements made by or on behalf of the Association.

Section 8.2 Design Review Board. The Design Review Board shall consist of three (3) persons. Until all Units which may be added to the Special Declarant Rights and Development Rights reserved in this Declaration have expired or such earlier date as Declarant shall determine in writing, Declarant shall appoint all members of the Design Review Board. After expiration of Declarant's appointment rights, the Design Review Board may then be comprised completely of Owners without regard to special qualifications, and the persons shall then be appointed by the Executive Board. Until that date, Declarant, at its sole discretion, may at any time grant the power of appointment of the members of the Design Review Board, and the chairman thereof, to any entity succeeding to substantially all of the assets of the Declarant, or to the Association. Until the expiration of the Special Declarant Rights and Development Rights reserved in this Declaration have expired or such earlier date upon which Declarant has relinquished its rights under this Section 8.2, the Declarant may remove any appointee at any time upon written notice to such appointee. The Design Review Board shall select its own chairperson and vice chair (from the Members of the Design Review Board).

Section 8.3 Guidelines and Procedures--General. The Declarant shall prepare the initial Design Guidelines, which thereafter may be amended in whole or in part by the Executive Board, and, for so long as the Declarant holds Development Rights, with the written approval of the Declarant. The Design Guidelines may be stricter than those established pursuant to the Master Declaration. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. The Design Guidelines may contain general provisions applicable to all of the Real Estate, as well as specific provisions which vary from one portion of the Real Estate to another depending upon the location, unique characteristics, and intended use. Design Guidelines shall also include the procedures, materials to be submitted and additional factors which

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will be taken into consideration in connection with the approval of any proposed improvement. Design Guidelines may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part, and may waive the requirement or exempt certain improvements from the requirement for approval, if such approval is not reasonably required to carry out the purposes of this Declaration. The Design Guidelines as the same shall be amended from time to time shall not be recorded, but shall be considered incorporated herein by references throughout this Declaration and shall be enforceable as though set forth in full.

Section 8.4 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.

Section 8.5 Enforcement. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Executive Board, the Design Review Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as requested, the Executive Board or its designees shall have the right to enter the Unit, remove the violation, and restore the Unit 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 such Unit and collected as an 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 by the Executive Board from the Real Estate upon notice and an opportunity to be heard.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the Master Declaration.

Section 8.6 Notice of Noncompliance. If, as a result of inspections or otherwise, the Design Review Board finds that any improvement has been done without obtaining the approval of the Design Review Board, or was not done in substantial compliance with the description and materials furnished to, and any conditions imposed by, the Design Review Board, the Design Review Board shall provide notice of the particulars of the noncompliance and shall require the Owner of the Unit upon which such improvements have been made to take such action as may be necessary to remedy the noncompliance. At the sole election of the Executive Board, if such noncompliance is not remedied within thirty (30) days of the date set forth on the notice, the notice may be recorded in the records of the Arapahoe County Clerk and Recorder.

Section 8.7 Nonliability of the Design Review Board and Executive Board Members. Neither the Design Review Board nor the Executive Board nor any member thereof shall be liable to the Association or to any Owner or person for any loss, damage or injury arising out of or in any way connected with the performance of the Design Review Board's or Executive Board's

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respective duties under this Declaration or the Governing Documents unless due to an act or omission not in good faith or which involves intentional misconduct or a knowing violation of a law by the Design Review Board or Executive Board or individual members thereof. The Design Review Board or Executive Board shall not be responsible for reviewing, nor shall its approval of any Plans and Specifications be deemed approval of, structural safety, engineering soundness, or conformance with building codes or any other laws or standards.

Section 8.8 Variances. The Design Review Board may authorize variances from compliance with any of the architectural provisions, Guidelines or Rules and Regulations, when circumstances so warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all the members of the Design Review Board and approved by a majority of the Executive Board. If such a variance is granted, no violation of the Covenants, conditions or restrictions contained in this Declaration or in other Governing Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision in the particular instance covered by the variance.

Section 8.9 Scope of Judicial Review. The scope of judicial review of any action taken by the Association or the Design Review Board pursuant to this Article 8, including but not limited to the promulgation and enforcement of Design Guidelines and review, shall be limited to cases of fraud, bad faith, or lack of due process.

ARTICLE 9
INITIAL RESTRICTIVE COVENANTS

Section 9.1 Plan of Development; Applicability; Effect. Declarant has established a general plan of development for the Real Estate as a "Subassociation" under the Master Declaration in order to protect the Owners' collective interests and the aesthetics and environment within the Real Estate. In furtherance of that general plan, the Master Declaration, this Declaration, the Master Documents and this Association's Governing Documents, establish affirmative and negative Covenants, easements, and restrictions on the Real Estate, subject to certain rights vested in the Executive Board and the Owners to enable them to respond to changes in circumstances, conditions, needs, and desires within the Community.

Section 9.2 Authority to Promulgate Use Restrictions. Initial use restrictions applicable to the Real Estate are set forth in Section 9.5 below. Amendment of these use restrictions requires a vote of sixty-seven percent (67%) of all votes in the Association as calculated pursuant to Article 16. Provided, however, in accordance with the duty to exercise reasonable business judgment, the Executive Board, with the consent of the Declarant as long as the Declarant holds Development Rights, may adopt Rules and Regulations which insignificantly modify, limit, create exceptions to, or expand the initial use restrictions set forth in Section 9.5 below.

Section 9.3 Owners' Acknowledgment. All Owners and Related Users of Units are given notice that use of their Units is limited by provisions of the Governing Documents as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be

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affected by this provision and that all restrictions upon the use and occupancy of a Unit may change from time to time.

Section 9.4 Rights of Owners. The Executive Board shall not adopt any Rule or Regulation in violation of the following provisions:

9.4.1 Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

9.4.2 Speech. The rights of Owners to display political signs and symbols in or on their Units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and Related Users.

9.4.3 Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

9.4.4 Activities Within Dwelling. No rule shall interfere with the activities carried on within the confines of dwellings on the Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance.

9.4.5 Pets. The Association may adopt reasonable Rules and Regulations designed to minimize damage and disturbance to other Owners and occupants, including Rules and Regulations requiring damage deposits, waste removal, leash controls, noise controls, occupancy limits based on size and facilities of the Unit and fair share use of the Common Elements. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance in the Executive Board's sole discretion.

9.4.6 Reasonable Rights to Develop. No Rule by the Association or Executive Board shall unreasonably impede the Declarant's right to develop in accordance with the Real Estate plats and this Declaration.

9.4.7 Abriding Existing Rights. If any Rule would otherwise require Owners or Related Users to dispose of personal property which they owned at the time they acquired their interest in the Unit and such ownership was in compliance with all Rules and Regulations in force at that time, such rule shall not apply to any such Owners without their written consent. However, all subsequent Owners and Related Users of that Unit shall comply with such rule.

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Section 9.5 Initial Use Restrictions. The following activities are prohibited within the Community unless expressly authorized (and in such cases, subject to such conditions as may be imposed) by the Executive Board:

9.5.1 Subdivision. Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit;

9.5.2 Conditions to Conduct Business. Any business, profession, trade, or similar activity, except that an Owner may conduct business activities within the Unit so long as:

- (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit;
- (b) the activity conforms to all zoning requirements for the Common Interest Community;
- (c) the activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Owners or Related Users; and
- (d) the activity is consistent with the residential character of the Real Estate and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Owners or Related Users, as may be determined in the reasonable discretion of the Executive Board.

9.5.3 Leases. The term "lease", as used herein, shall include any agreement for the leasing or rental of a Unit and shall specifically include, without limitation, a month-to-month rental. Owners shall have the right to lease their Units only under the following conditions:

- (a) All leases shall be in writing.
- (b) All leases shall provide that the terms of the lease and the tenant's occupancy of the Unit shall be subject in all respects to the provisions of the Governing Documents, as the same may be amended from time to time, and that any failure by such tenant to comply with the provisions of these instruments, in any respect, shall be a default under the lease, said default to be enforceable by the Executive Board, the Owner/landlord, or both.
- (c) No lease shall be a term of less than one hundred eighty (180) days.
- (d) Any Owner's right to lease is expressly conditional upon applicable Rules and Regulations.
- (e) Any Owner who leases his Unit shall forward a copy of the lease to the Association within ten (10) days after the execution by Owner and the tenant/lessee.

9.5.4 Restrictions on Vehicles.

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(a) Parking or storing of vehicles within the Real Estate shall be subject to Rules and Regulations enacted by the Executive Board and provisions of this Declaration.

(b) No Unit and no Common Element shall be used as a parking, storage, display or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, motor home, running gear, boat or accessories thereto, or any type of cargo or commercial van, or any type of vehicle which is used for commercial purposes that bears a commercial logo, and/or printing or lettering; provided, however, such vehicles may be stored, parked or maintained wholly within the garage area of a Unit with the garage door in a closed position.

(c) Recreational vehicles may be parked temporarily within Units or upon streets for purposes of loading and unloading; provided that no such vehicle may be so parked for a period exceeding 24 hours in length.

(d) No abandoned or inoperable vehicles of any kind shall be stored or parked within any Unit (unless stored completely within an enclosed garage) or street. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, van, recreational vehicle or other device for carrying passengers, goods or equipment which has not been driven under its own propulsion for a period of two weeks or longer, or which does not have installed within it an operable propulsion system.

(e) Unlicensed motor vehicles shall not be operated on the streets or other Common Elements. The definition of unlicensed motor vehicles shall include, but is not limited to, go-carts, mini-bikes, unlicensed motor bikes and all-terrain vehicles.

(f) Parking of permitted vehicles upon streets shall be subject to Rules and Regulations.

9.5.5 Nuisances. Any use, activity, or practice which is the source of or unreasonably interferes with the peaceful enjoyment or possession of a Unit or any portion of the Common Elements or any portion of the Common Interest Community. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed and may be enforced by the Association as if the same were contained in the Governing Documents. In no event shall the activities of the Declarant or of an Approved Builder which are reasonably necessary to the exercise of the rights granted by this Declaration and the Act be considered a "nuisance" unless such activities interferes with any Owner's use and enjoyment of such Owner's Unit.

ARTICLE 10
OTHER EASEMENTS, DEDICATIONS, AND RESERVATIONS

Section 10.1 Easements of Encroachment. There shall be 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 due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon

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(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 an Owner.

Section 10.2 Easements for Utilities, Etc. There are hereby reserved unto Declarant, so long as the Declarant holds Special Declarant Rights and Development Rights, the Association, the Master Association, and gas, electric, telephone and other utility companies, access and maintenance easements upon, across, over, and under all of the Real Estate to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining any cable television systems, security and similar systems, roads, walkways, bicycle pathways, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on the Plat. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Unit, and any damage to a dwelling on a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the person exercising the easement. The exercise of this easement shall not 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.

Declarant specifically grants to the local water supplier, electric company, telephone company and natural gas supplier easements across the Real Estate for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable. However, the exercise of this easement shall not extend to permitting entry into the dwelling on any Unit without the Owner's consent.

Section 10.3 Easements to Serve Additional Property. 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 all or any portion of the Expansion Property, 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 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 maintenance of any access roadway serving such Property.

Section 10.4 Right of Entry. In addition to the rights the Association is granted in Section 8.5 above, the Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance pursuant to the Governing Documents, to exercise the right of self-help pursuant to the Bylaws, and to inspect for the purpose of ensuring compliance with this Declaration, the Bylaws, and Rules and Regulations, which right may be exercised by any member of the Executive Board, the Association, officers, agents,

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employees, and managers, and all policemen, firemen, ambulance personnel, and similar 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, any damage caused by entry shall be repaired by the Association as a Common Expense. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Executive Board, but shall not authorize entry into any dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

Section 10.5 Easement to Master Association. The officers, agents, employees and independent contractors of the Master Association shall have a nonexclusive easement to enter upon the Real Estate for the purpose of performing or satisfying the duties and obligations of the Master Association as set forth in the Master Association Documents, and to exercise the rights therein granted to the Master Association.

Section 10.6 Access and Utility Easements. Declarant hereby dedicates to the Association and all of the Owners a perpetual non-exclusive easement on all roads and streets and pedestrian, bridle, and bike paths as shown on the Plat, regardless of how they are named.

Section 10.7 Plat Notes, Easements and Restrictions. All easements shown on the Plat and in the Plat Notes, are hereby dedicated to the benefit of the Association and all of the Owners subject to the restrictions and conditions therefore as provided on the Plat and in this Declaration and subject to the rights of any holders of any such easements recorded prior to the Plat. The Association shall maintain the easements consistent with the restrictions described on the Plat and the Executive Board shall establish Rules and Regulations governing the use and maintenance thereof.

ARTICLE 11
INSURANCE/CONDEMNATION

Section 11.1 Insurance Coverage. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth in this Article 12, and shall comply with C.R.S. §38-33.3-313 and all other provisions of the Act regarding insurance, as follows:

11.1.1 Application of insurance proceeds and procedures of adjustment must be made pursuant to the Act.

11.1.2 The Rules and Regulations may include nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment.

11.1.3 Any portion of the Common Interest Community for which insurance is required under the Act which is damaged or destroyed must be repaired or replaced promptly pursuant to, and as required by, the Act.

11.1.4 The Association and the manager or managing agent, if any must obtain policies of fidelity insurance in amounts and under the circumstances prescribed by the Act.

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11.1.5 All insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado.

11.1.6 All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be canceled or modified without at least thirty (30) days prior written notice to all of the Owners and the Association.

11.1.7 All liability insurance shall be carried in blanket form naming the Association, the Executive Board, the manager or managing agent, if any, the officers of the Association, the Declarant, Approved Builders, the Master Association, and Owners as insureds, and shall be in limits which the Executive Board determines to be commercially reasonable.

11.1.8 All costs and expenses borne by the Association in compliance with or as may be permitted by the Act, including, but not limited to, insurance premiums, and all costs and expenses borne by the Association in connection with insured and uninsured losses to persons or property within the Common Interest Community, repairs and replacement of insured and uninsured property, and claims settlement or adjustment shall be considered Common Expenses.

Section 11.2 Condemnation. Condemnation of all or any portion of the Real Estate shall be governed by applicable provisions of the Act.

ARTICLE 12
RESERVATION OF SPECIAL DECLARANT RIGHTS
AND ADDITIONAL RESERVED RIGHTS

Section 12.1 Special Declarant Rights. Declarant hereby reserves the following Special Declarant Rights and Additional Reserved Rights for a time period of ten (10) years from the date of the execution hereof, unless sooner terminated by operation of the Act or the provisions of this Declaration.

12.1.1 Conveyance for Governmental Interests. The right to designate sites within any portion of the Real Estate for fire, police, water, drainage, and utility facilities, parks, and other public facilities.

12.1.2 Completion of Improvements. The right to complete improvements on the Common Elements and Units owned by the Declarant or an Approved Builder.

12.1.3 Exercise of Development Rights. The right to exercise any expansion or Development Right reserved in Article 13 of this Declaration or allowed in the Act.

12.1.4 Sales Management and Marketing. The right of the Declarant and Approved Builders to maintain a sales and management office upon any Unit or Common Element, and the right to maintain signs advertising the Community, and the right to maintain sales model homes and sales and management offices on any Unit owned by the Declarant or Approved Builder. Any sales and management office on the Common Elements shall be removed no later than the end of the marketing period.

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12.1.5 Construction Facilities. The right of the Declarant and Approved Builders and their respective its employees, representatives, agents, and contractors to maintain within the Real Estate temporary construction facilities and construction materials, staging yards, and other facilities reasonably required during the construction of improvements to, and sale of, the Units.

12.1.6 Construction Easements. The right of the Declarant and Approved Builders to use easements through the Common Elements for the purpose of making improvements within the Real Estate or within real estate that may be added to the Common Interest Community, and the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act and this Declaration, all as more particularly described in Section 13.6 below.

12.1.7 Master Association. The right to make the any portion of the Real Estate subject to the Master Association.

12.1.8 Merger. The right to merge or consolidate the Community with another common interest community.

12.1.9 Control of Association and Executive Board. The right to appoint or remove any Officer of the Association or any Executive Board member provided by this Declaration and the Act.

12.1.10 Amendment of Declaration. The right to amend the Declaration and Plat in connection with the exercise of any Development Right.

Section 12.2 Additional Reserved Rights. In addition to the Special Declarant Rights reserved herein, Declarant also reserves the following additional rights (the "Additional Reserved Rights"):

12.2.1 Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking, utility and drainage, and any amenities including, without limitation recreational facilities or areas which may or may not be a part of the project for the benefit of the Owners and/or the Association.

12.2.2 Easements. The right to grant additional easements for the use, repair, or maintenance of drainage facilities or utilities, within the Real Estate.

12.2.3 Other Rights. The right to exercise any additional reserved right created by any other provision of this Declaration.

Section 12.3 Legal Description. These Special Declarant Rights and Additional Reserved rights apply to the Real Estate and any Expansion Property.

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ARTICLE 13
RESERVATION OF EXPANSION, WITHDRAWAL AND DEVELOPMENT RIGHTS

Section 13.1 Development and Withdrawal Rights. Declarant expressly reserves the right to create additional Units and Common Elements, and to subdivide Units, relocate boundaries between Units, convert Units into Common Elements, and convert Common Elements into Units, and to exercise, generally all Development Rights described by the Act, on all or any portion of the Real Estate or the Expansion Property. Declarant may exercise its Development Rights on all or any portion of the property in whatever order of development Declarant, in its sole discretion, determines. Declarant expressly reserves the right to withdraw all or any portion of the property from the Real Estate by recording a document evidencing such withdrawal in the office of the Clerk and Recorder of the County of Arapahoe; provided, however, that no Unit may be withdrawn after a Unit has been conveyed to a purchaser other than the Declarant or an Approved Builder. The property withdrawn from the Real Estate shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Real Estate. Declarant shall prepare and record in the office of the Clerk and Recorder of the County of Arapahoe whatever documents are necessary to evidence such easements and shall amend the Declaration and the Plat to include reference to the recorded easement.

Section 13.2 Amendment of the Declaration. If Declarant elects to submit the Expansion Property to this Declaration, or to exercise any other rights referred in Section 13.1 above, the Allocated Interests appurtenant to each Unit will be apportioned according to the total number of Units subject to the Declaration. The Allocated Interests appurtenant to each Unit in the Common Interest Community, as expanded, shall be calculated to provide an equal share of the Allocated Interests for each Unit in the Community as expanded from time to time.

The Declarant shall record a Supplemental Declaration which shall contain the legal description of the Expansion Property being submitted to this Declaration and a schedule of the Allocated Interests appurtenant to the Units in the Common Interest Community, as expanded, and conform to the requirements in this Declaration and the Act.

Section 13.3 Amendment of the Plat. Declarant shall have the right to amend the Plat if necessary to exercise a Development Right. Any amendment to the Plat shall conform to the requirements contained in this Declaration and the Act.

Section 13.4 Interpretation. Recording of amendments to the Declaration and Plat in the office of the Clerk and Recorder of the County of Arapahoe shall automatically:

(a) Vest in each existing Owner the reallocated Allocated Interests appurtenant to his Unit; and

(b) Vest in each existing Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit. Upon the recording of an Amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Real Estate and the Community, as expanded. All conveyances of Units after such expansion shall be effective to transfer beneficial rights in the Common Elements as expanded to the Owners, whether or not reference is made to any Amendment

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to the Declaration or Plat. Reference to the Declaration and Plat in any instrument shall be deemed to include all Amendments to the Declaration and Plat without specific reference thereto.

Section 13.5 Construction. The buildings, structures and types of improvements to be placed within the Expansion Property or any part thereof shall be of a quality equal to or better than the improvements previously constructed within the Community, but need not be of the same size, style or configuration.

Section 13.6 Rights Incidental to the Construction Easement. Declarant expressly reserves the right to perform construction work and to store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs, and the right of access thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Owner or Mortgagee. Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the land not designated as reserved for future development in the Declaration or on the Plat for the purpose of furnishing utility and other services to the property so reserved for future development. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Elements. If Declarant grants any such easements, the Declaration and Plat will be amended to include reference to the recorded easement. All rights granted to the Declarant shall inure to Approved Builders unless an instrument recorded in Arapahoe County Clerk and Recorder's office provides otherwise.

Section 13.7 Reciprocal Easements. If all or part of the Expansion Property is not submitted to this Declaration, or if property is withdrawn from the Real Estate ("Withdrawn Property"):

(a) The Owner(s) of the Expansion Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Real Estate; and

(b) The Owner(s) shall have whatever easements are necessary or desirable, if any, for access, utility service repair, maintenance and emergencies over and across the Expansion Property and Withdrawn Property.

Declarant shall prepare and record in the office of the Clerk and Recorder of the County of Arapahoe whatever documents are necessary to evidence such easements and shall amend the Declaration and the Plat to include reference to the recorded easement(s). Such recorded easement(s) shall specify that the owners of the Expansion Property and the Withdrawn Property and the Owners shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section.

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Section 13.8 Termination of Expansion and Development Rights. The Development Rights reserved to Declarant, for itself, its successors and assigns, pursuant to this Article 13 shall expire ten (10) years from the date of recording this Declaration, unless such rights are (i) extended as allowed by law or (ii) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of these rights by Declarant.

Section 13.9 Legal Description. These development rights apply to all portions of the Real Estate, and any Expansion Property which is subsequently added to the Community.

ARTICLE 14
AMENDMENT AND TERMINATION

Section 14.1 Technical, Clerical, Typographical or Clarification Amendment. If either the Declarant or the Executive Board shall determine that any amendments to this Declaration or to the map or plat shall be necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement, then, subject to the following sentence of this Section, the Declarant shall have the right and power to make and execute any such amendment during the period of Declarant control, and thereafter the Executive Board shall have the right and power to make and execute any such amendments without obtaining the approval of any Owners. Each such amendment of this Declaration shall be made, if at all, by the Executive Board prior to the expiration of seven (7) years from the date this Declaration is recorded.

Section 14.2 Necessary to Exercise Authority of Association Documents. In addition to the rights granted to the Declarant to execute amendments to this Declaration, the Executive Board shall have the authority to execute amendments to this Declaration or to the Plat which are reasonably necessary in order to perform duties authorized by this Declaration.

Section 14.3 Attorney in Fact. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Executive Board to make or consent to an amendment under this Article 15 on behalf of each Owner and holder of a Security Interest. Each deed, Security Interest, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Executive Board to make, execute and record an amendment under this Section.

Section 14.4 Amendment of Declaration by Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of others, any provision, covenant, condition, restriction (except the use restrictions set forth in Section 9.5 above, which shall only be amended by the percentage required by the Act) or equitable servitude contained in this Declaration may be changed or repealed, and any such provision added to this Declaration at any time and from time to time upon approval of the Executive Board and at least fifty-one percent (51%) of the votes in the Association as calculated pursuant to Article 15 or such lesser percentage as is permitted by the Act.

Section 14.5 Recording of Amendments. To be effective, all amendments to or termination of this Declaration must be recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado, and must contain evidence of approval thereof. One method of satisfying the

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requirements of this Section is the recordation of a certificate of the Secretary of the Association, certifying that Owners representing the requisite percentage of the Units have given their notarized written consent to the amendment. The Secretary must further certify that originals of such written consent by Owners along with the recorded amendment are in the corporate records of the Association and available for inspection. No action to challenge the validity of an amendment adopted by the Association pursuant to this Section may be brought more than one (1) year after the amendment is recorded.

Section 14.6 Unanimous Consent Required for Certain Amendments. Except as otherwise provided in Article 13 and Article 16 of this Declaration, no amendment may create or increase Special Declarant Rights or change the formulas for determining Allocated Interests as set forth in Section 15.1 below, in the absence of unanimous consent of the Owners.

Section 14.7 Association Certification. Amendments to the Declaration required by this Article to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. In the event of an amendment to the Declaration by the Owners, the Association shall record the amendment with a certificate from the Association executed by any officer designated for that purpose, or, in the absence of the designation, by the president, that the requisite number of Owners, have consented to the amendment.

Section 14.8 Expenses. All expenses associated with preparing and recording an amendment to the Declaration shall be the sole responsibility of:

- (a) In the case of an amendment pursuant to reallocation of boundaries between adjoining Units, and subdivision of Units, the Owners desiring the amendment;
- (b) In the case of an amendment pursuant to reallocation of Allocated Interests, recordation of new plats and maps, and exercise of Development Rights, the Declarant; and
- (c) In all other cases, by the Association as a Common Expense.

Section 14.9 Termination. The Common Interest Community may be terminated upon an affirmative vote of the Owners holding 90% of the Allocated Interests, and in accordance with Section 38-33.3-218 of the Act.

ARTICLE 15
ALLOCATED INTERESTS

Section 15.1 Formula for Determining Allocated Interests. The Common Expenses and the votes in the Association shall be allocated to each Unit, calculated as follows:

- (a) the percentage of liability for Common Expenses: on the basis of a fraction, the numerator is one and the denominator is the total number of Units within the Common Interest Community; and

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(b) the number of votes in the Association: on the basis of one Unit, one vote; cast in accordance with the provisions of the Bylaws of the Association.

Section 15.2 Reallocation. When Units are withdrawn from, or added to, the Common Interest Community, pursuant to the provisions of this Declaration and the Act, the formula set forth in Section 16.1 above shall be used to reallocate the Allocated Interests.

ARTICLE 16
GENERAL PROVISIONS

Section 16.1 Rights Transferable/Rights Transferred. Any rights created or reserved under this Declaration or the Act for the benefit of Declarant or Approved Builders may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of Arapahoe County. Such instrument shall be executed by the transferor and the transferee. Except as otherwise provided by the Act, the rights transferred may be then exercised in compliance with the requirements of C.R.S. 38-33.3-210 and C.R.S. 38-33.3-209(6) without the consent of the Association, any Owner or any Mortgagee.

Section 16.2 Attorneys' Fees. If an Owner or Related User fails to comply with any provision of the Governing Documents or with the Act, the Association or any person or class of persons adversely affected by the failure to comply may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. For each claim, including but not limited to counterclaims, cross-claims, and third-party claims, in any legal proceeding to enforce provisions of the Act or the Governing Documents, the court shall award to the party prevailing on such claim the prevailing party's reasonable collection costs and attorney fees and costs incurred in asserting or defending the claim. Provided, however, in all instances the court shall award the Association its fees and costs incurred in recovering assessments, pursuant to Section 7.9 above.

Section 16.3 Severability. Should any part or parts of the Declaration be declared invalid or unenforceable by any court of competent jurisdiction, such decisions shall not affect the validity of the remaining provisions.

Section 16.4 Repeal of the Act. In the event that the Act is repealed, the provisions of the Act in effect immediately before its repeal shall control this Declaration.

Section 16.5 Paragraph Headings. The paragraph headings in this instrument are for convenience only and shall not be construed to be a part of the provisions contained herein or to limit the contents of any paragraph.

Section 16.6 Registration by Owner of Mailing Address and Notice. Each Owner shall register his mailing address with the Association. All notices or demands affecting this planned community may be served upon an Owner by the Association or by other Owners by regular United States Mail, postage prepaid, addressed in the name of the Owner at such registered mailing address or by personal service. All notices or demands intended to be served upon the Association shall be sent by certified United States Mail, postage prepaid, return receipt requested, to the address of the

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Association as designated in the Articles of Incorporation and Bylaws of the Association or served by personal service on the Association's registered agent for service or President.

Section 16.7 Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 16.8 Applicable Law. This Declaration is filed in the records of Arapahoe County, Colorado and it is agreed that the proper jurisdiction and venue of any action pertaining to the interpretation or enforcement of this Declaration shall be in the District Court for Arapahoe County, Colorado.

Section 16.9 Binding Agreement. It is understood and agreed that this Declaration shall be binding upon and inure to the benefit of the successors, executors, administrators and assigns of the parties hereto.

Section 16.10 Reference to Ownership Interests. Whenever in this Declaration or in the Articles of Incorporation or Bylaws of the Association reference is made to a specific percentage interest of Owners, such reference shall be deemed to mean such percentage of the total aggregate Allocated Interests of such Owners, unless the context otherwise requires, and shall not be deemed to mean a percentage of owners by number of individual persons, partnerships, corporations or other entities.

Section 16.11 Dedication of Common Elements. Declarant, in recording the Plat and this Declaration, has designated certain areas of land as Common Elements intended for the common use and enjoyment of Owners for recreation and other related activities. The Common Elements owned by the Association are not dedicated hereby for use by the general public.

Dated this 10TH day of December, 1999.

ARAPAHOE 114, LLC,
a Colorado limited liability company

Raymond L. Anilonis
By: Its Manager

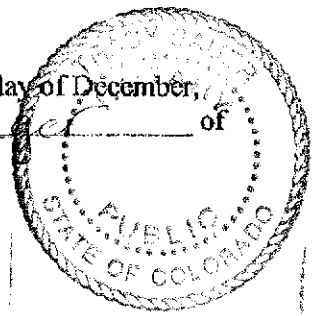
STATE OF COLORADO)
COUNTY OF Arapahoe) ss.

The foregoing instrument was acknowledged before me this 15 day of December, 1999, by Raymond L. Anilonis, as manager of Arapahoe 114, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 7-7-2000

[Signature]
Notary Public
My Commission Expires 07/07/2000



LENDER CONSENT

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Consent is hereby given to the above Declaration. The undersigned agrees and acknowledges that any foreclosure or enforcement of any other remedy available to the undersigned under the deed of trust recorded at Reception No. A 9166044 in Book at Page 01-08 of the records of the Clerk and Recorder of the County of Arapahoe, Colorado or under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Real Estate described in the Declaration will not render void or otherwise impair the validity of the Declaration, the plat or the Covenants running with the Real Estate described in the Declaration. Additionally, the undersigned subordinates the lien and interests of the undersigned under its deed of trust as above referenced and under any other deeds of trust or other security agreements for the benefit of the undersigned with regard to the Real Estate described in the Declaration to the Covenants, terms and conditions of the above Declaration.

Dated in Denver, Colorado, this 6th day of December, 1999.

BANK UNITED

By: *[Signature]*
R. Bruce Siegrist, Vice-President

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 6th day of December, 1999, by R. Bruce Siegrist, as Vice-President of Bank United.

Witness my hand and official seal.

My commission expires: 6/24/01.

Betty Sue White
Notary Public

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EXHIBIT A

INITIAL REAL ESTATE

LOTS 15, 16, 17, 18, 19, 20, 21, AND 22
BLOCK 3
THE FARM AT ARAPAHOE COUNTY FILING NO. 7
ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 6, 1999 IN
PLAT BOOK 168, PAGES 27 THROUGH 33, INCLUSIVE,
COUNTY OF ARAPAHOE
STATE OF COLORADO

LOTS 1 THROUGH 12, INCLUSIVE, AND LOT 28,
BLOCK 4
THE FARM AT ARAPAHOE COUNTY FILING NO. 7
ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 6, 1999 IN
PLAT BOOK 168, PAGES 27 THROUGH 33, INCLUSIVE,
COUNTY OF ARAPAHOE
STATE OF COLORADO

AND

LOTS 17, 23, 25, 26, 27, 28, 32, AND 33
BLOCK 5
THE FARM AT ARAPAHOE COUNTY FILING NO. 7
ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 6, 1999 IN
PLAT BOOK 168, PAGES 27 THROUGH 33, INCLUSIVE,
COUNTY OF ARAPAHOE
STATE OF COLORADO

subject to:

The lien for real property taxes for the year 1999 and subsequent years, not yet due and payable.

And further subject to the following items recorded in the office of the Clerk and Recorder, Arapahoe County, Colorado:

1. RESERVATIONS CONTAINED IN DEED FROM THE UNION PACIFIC LAND CO. TO LILBURN G. MCNAIR RECORDED FEBRUARY 4, 1899 IN BOOK A-72 AT PAGE 575, AND DEED RECORDED NOVEMBER 29, 1897 IN BOOK A70 AT PAGE 103.

NOTE: RELINQUISHMENT AND QUIT CLAIM OF SURFACE RIGHTS RECORDED MARCH 25, 1998 AT RECEPTION NO. A8040927.

2. ANY TAX, LIEN, FEE OR ASSESSMENT BY REASON OF INCLUSION OF SUBJECT PROPERTY IN THE EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT AS EVIDENCED BY INSTRUMENT RECORDED APRIL 28, 1995 IN BOOK 7935 AT PAGE 139.
3. TERMS, CONDITIONS AND PROVISIONS OF INTERGOVERNMENTAL AGREEMENT RECORDED JULY 7, 1995 IN BOOK 8015 AT PAGE 649.
4. TERMS, CONDITIONS AND PROVISIONS OF INCLUSION AGREEMENT RECORDED JULY 7, 1995 IN BOOK 8015 AT PAGE 666.
5. TERMS, CONDITIONS AND PROVISIONS OF WATER AND SEWER TAP PURCHASE AGREEMENT RECORDED JUNE 30, 1997 AT RECEPTION NO. A7078088.
6. ANY TAX, LIEN, FEE OR ASSESSMENT BY REASON OF INCLUSION OF SUBJECT PROPERTY IN THE GOODMAN METROPOLITAN DISTRICT AS EVIDENCED BY INSTRUMENT RECORDED NOVEMBER 30, 1994 IN BOOK 7786 AT PAGE 275.
7. RIGHT OF WAY EASEMENT GRANTED TO INTERMOUNTAIN RURAL ELECTRIC ASSOCIATION IN INSTRUMENT RECORDED SEPTEMBER 3, 1998 AT RECEPTION NO. A8141129.
8. EASEMENT DEED BY AND BETWEEN TLA LLC, A COLORADO LIMITED LIABILITY COMPANY AND EAST CHERRY CREEK VALLEY WATER AND SANITATION DISTRICT CONTAINED IN INSTRUMENT RECORDED SEPTEMBER 10, 1998 AT RECEPTION NO. A8144569.
9. RIGHT-OF-WAY EASEMENT FOR ELECTRIC FACILITIES AND OTHER PURPOSES GRANTED TO INTERMOUNTAIN RURAL ELECTRIC ASSOCIATION IN INSTRUMENT RECORDED APRIL 15, 1999 AT RECEPTION NO. A9061697.
10. TERMS, CONDITIONS, COVENANTS AND RESTRICTIONS CONTAINED IN MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE FARMS AT ARAPAHOE COUNTY RECORDED MARCH 25, 1998 AT RECEPTION NO. A8040928.
11. TERMS, CONDITIONS, COVENANTS AND RESTRICTIONS CONTAINED IN PROTECTIVE COVENANTS RECORDED DECEMBER 9, 1998 AT RECEPTION NO. A80200501.
12. TERMS, CONDITIONS, BURDENS AND OBLIGATIONS OF SUBDIVISION IMPROVEMENT AGREEMENT AND RESTRICTION ON CONVEYANCE, RECORDED AUGUST 26, 1999 IN RECEPTION NO. A9139743.
13. TERMS, CONDITIONS AND OBLIGATIONS OF TRANSPORTATION FEE AGREEMENT RECORDED AUGUST 26, 1999 IN RECEPTION NO. A9139745.

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14. NOTES, CONDITIONS, COVENANTS, AGREEMENTS AND EASEMENTS SET FORTH AND RESERVED ON THE PLAT OF THE FARM AT ARAPAHOE COUNTY FILING NO. 7, RECORDED SEPTEMBER 16, 1999 IN PLAT BOOK 168, PAGES 27 THROUGH 33, INCLUSIVE.

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EXHIBIT B

INITIAL COMMON ELEMENTS

Tract A and Tract B
THE FARM AT ARAPAHOE COUNTY FILING NO. 7
According to the Plat thereof recorded
on September 6, 1999 in Plat Book 168
Pages 27 through 33 inclusive
Arapahoe County
State of Colorado

EXHIBIT C

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EXPANSION PROPERTY

PARCEL NO. 1:

THE FARM AT ARAPAHOE COUNTY FILING NO. 7

According to the Plat thereof recorded on September 6, 1999 in Plat Book 168, Pages 27 through 33, inclusive

Arapahoe County

State of Colorado

except

Lots 15, 16, 17, 18, 19, 20, 21, 22, Block 3

Lots 1 through 12, inclusive and Lot 28, Block 4 and

Lots 17, 23, 25, 26, 27, 28, 32, and 33, Block 5

THE FARM AT ARAPAHOE COUNTY FILING NO. 7

PARCEL NO. 2:

6TH PRINCIPAL MERIDIAN; COUNTY OF ARAPAHOE, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 5 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN BEING ASSUMED TO BEAR S 89°09'11" W.

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 21, THENCE S 89°09'11" W, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 21, A DISTANCE OF 479.28 FEET;

THENCE N 00°50'48" W A DISTANCE OF 25.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY OF EAST ARAPAHOE ROAD AND THE POINT OF BEGINNING;

THENCE S 89°09'12" W, ALONG SAID NORTHERLY RIGHT OF WAY OF EAST ARAPAHOE ROAD, A DISTANCE OF 937.17 FEET;

THENCE N 00°50'48" W A DISTANCE OF 35.00 FEET;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET, A CENTRAL ANGLE OF 90°00'00", AND AN ARC LENGTH OF 47.12 FEET, THE CHORD OF WHICH BEARS N 44°09'12" E, A DISTANCE OF 42.43 FEET;

THENCE N 00°50'48" W A DISTANCE OF 592.40 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1940.00 FEET, A CENTRAL ANGLE OF 14°37'25", AND AN ARC LENGTH OF 495.15 FEET;

THENCE N 15°28'14" W A DISTANCE OF 115.56 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", AND AN ARC LENGTH OF 39.27 FEET;

THENCE N 15°28'14" W A DISTANCE OF 50.00 FEET;

THENCE N 15°28'14" W A DISTANCE OF 50.00 FEET;

THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00", AND AN ARC LENGTH OF 39.27 FEET, THE CHORD OF WHICH BEARS N29°31'46" E A DISTANCE OF 35.36 FEET;

THENCE N 15°28'14" W A DISTANCE OF 78.26 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1580.00 FEET, A CENTRAL ANGLE OF 35°50'56", AND AN ARC LENGTH OF 988.58 FEET;

THENCE N 20°22'42" E A DISTANCE OF 240.51 FEET TO A POINT ON THE SOUTHERLY BOUNDARY OF THE FARM AT ARAPAHOE COUNTY FILING NO. 6;

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THENCE ALONG SAID SOUTHERLY BOUNDARY OF THE FARM AT ARAPAHOE COUNTY FILING NO. 6 THE FOLLOWING FIVE (5) COURSES:

1. S 67°14'13" E A DISTANCE OF 120.10 FEET;
2. ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET, A CENTRAL ANGLE OF 89°51'25", AND AN ARC LENGTH OF 47.05, THE CHORD OF WHICH BEARS N 65°18'25" E A DISTANCE OF 42.37 FEET;
3. ALONG THE ARC OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 880.00 FEET, A CENTRAL ANGLE OF 40°53'27", AND AN ARC LENGTH OF 628.04;
4. N 69°20'41" A DISTANCE OF 164.61 FEET;
5. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 750.00 FEET, A CENTRAL ANGLE OF 10°35'21", AND AN ARC LENGTH OF 138.61 FEET TO A POINT ON THE WESTERLY BOUNDARY OF THE FARM AT ARAPAHOE COUNTY FILING NO. 7;

THENCE ALONG SAID WESTERLY BOUNDARY OF THE FARM AT ARAPAHOE COUNTY FILING NO. 7 THE FOLLOWING ELEVEN (11) COURSES:

1. S 06°01'05" E A DISTANCE OF 663.95 FEET;
2. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 560.00 FEET, A CENTRAL ANGLE OF 09°43'52", AND AN ARC LENGTH OF 95.11 FEET, THE CHORD OF WHICH BEARS S 77°50'17" W A DISTANCE OF 95.00 FEET;
3. S 27°01'39" E A DISTANCE OF 70.00 FEET;
4. ALONG THE ARC OF A NON-TANGENT CURVE THE LEFT HAVING A RADIUS OF 490.00 FEET, A CENTRAL ANGLE OF 01°49'45", AND AN ARC LENGTH OF 15.64 FEET, THE CHORD OF WHICH BEARS S 72°03'28" W A DISTANCE OF 15.64 FEET;
5. S 00°50'48" E A DISTANCE OF 921.01 FEET;
6. S 00°50'48" E A DISTANCE OF 497.39 FEET;
7. S 83°45'13" E A DISTANCE OF 39.68 FEET;
8. S 05°52'07" W A DISTANCE OF 109.30 FEET;
9. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1035.00 FEET, A CENTRAL ANGLE OF 08°23'04" AND AN ARC LENGTH OF 151.46 FEET, THE CHORD OF WHICH BEARS N 88°19'26" W A DISTANCE OF 151.32 FEET;
10. S 02°30'58" E A DISTANCE OF 70.03 FEET;
11. S 00°50'48" E A DISTANCE OF 339.41 FEET TO THE POINT OF

CONTAINING 65.602 ACRES, (2,857,637 SQ. FT.) MORE OR LESS.