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ADAMS CO (2)

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 FOR  
 MASTER DECLARATION OF  
 COVENANTS, CONDITIONS AND RESTRICTIONS  
 FOR  
 THE BROADLANDS

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**RESTATED  
MASTER DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
THE BROADLANDS**

This Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Broadlands (this "Master Declaration") is made as of this 24 day of November, 1997 by COMMUNITY DEVELOPMENT GROUP OF BROOMFIELD, LLC, a Colorado limited liability company ("Declarant").

**ARTICLE 1  
GENERAL**

1.1 Association Area. Declarant is the owner of a certain parcel(s) of land which is located in the City of Broomfield, Adams County, Colorado, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (collectively, the "Association Area").

1.2 Purposes of Declaration. Declarant intends to develop the Association Area as a residential planned community pursuant to the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as the same may be from time to time amended (the "Act"). "Association Area" shall mean the real property more particularly described in Exhibit A attached hereto, together with any real property which hereafter becomes subject to this Master Declaration by the execution and Recordation of an Amended Declaration as provided in Section 6.3 hereof. The Association Area shall consist of a maximum of 2,500 Sites. This Master Declaration is executed (a) in furtherance of a common and general plan for those portions of the Association Area which may become part of the Association Area; (b) to protect and enhance the quality, value, desirability and attractiveness of all property which becomes part of the Association Area; (c) to provide for an incorporated association as a vehicle to perform functions for the benefit of Owners of Sites within the Association Area; (d) to define the duties, powers and rights of such association; and (e) to define certain duties, powers and rights of Owners of Sites within the Association Area. The provisions of this Master Declaration are intended to and shall run with the land and, until their expiration in accordance with Section 10.1 hereof or their termination in accordance with the provisions hereof, shall bind, be a charge upon and inure to the mutual benefit of (a) all of the property which becomes part of the Association Area and each part or parcel thereof, (b) Declarant and its successors and assigns, (c) the Association and its successors and assigns, and (d) all Persons having or acquiring any right, title or interest in any property which becomes part of the Association Area or any part or parcel thereof or any Improvement thereon, and their heirs, personal representatives, successors and assigns.

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

This Master Declaration supersedes and replaces in its entirety that certain Master Declaration of Covenants, Conditions and Restrictions for The Broadlands, recorded October 29, 1997 in the office of the County Clerk and Recorder of Adams County, Colorado, in Book 5141, Page 61-130, Reception No. C0331294 (the "Prior Declaration"). The Prior Declaration provided that the Declarant may terminate the Prior Declaration at any time prior to the recordation of a deed conveying the first Site subject to the Prior Declaration to a Purchaser by Declarant by recordation of a written instrument executed by Declarant setting forth such termination. The Declarant as defined in this Master Declaration is also the Declarant under the Prior Declaration, executed and caused to be recorded the Prior Declaration, and is the owner of that certain parcel of land which is described in Exhibit A (the Association Area) attached to each of this Master Declaration and the Prior Declaration. No deed conveying a Site subject to the Prior Declaration to a Purchaser by the Declarant, by a Principal Builder, or by a Dealer has been recorded before the date and time of the Recordation of this Master Declaration. Therefore, Declarant, as the Declarant under this Master Declaration and the Prior Declaration, terminates the Prior Declaration in its entirety which shall hereafter be of no further force and effect whatsoever and the Declarant, in furtherance of such termination, has executed and caused to be recorded an additional and separate instrument setting forth the termination of the Prior Declaration.

## ARTICLE 2 DEFINITIONS

Unless otherwise expressly provided herein, in addition to the terms defined above in Article 1, the following words and phrases when used in this Master Declaration shall have the meanings hereinafter specified:

2.1 Allocated Interest. "Allocated Interest" shall mean the Common Assessment liability and votes in the Association that is allocated to any Owner, including Declarant.

2.2 Amended Declaration. "Amended Declaration" shall mean a written instrument containing covenants, conditions, restrictions, reservations, easements or equitable servitudes, or

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any combination thereof, which may be Recorded against any portion of the Association Area in accordance with Section 6.3 hereof.

2.3 Annexable Area. "Annexable Area" shall mean all real property presently and in the future owned by Declarant in any of the City of Broomfield, Adams County, Colorado, as more particularly described on Exhibit B, which is adjacent to or in the vicinity of the Association Area, all or any portion of which may from time to time be made subject to this Master Declaration pursuant to the provisions of Sections 6.2, 6.3, 6.4, and 6.5 hereof. The Annexable Area may be expanded or contracted as provided in section 6.8 hereof.

2.4 Applicant. "Applicant" shall have the meaning set forth in Section 9.6 hereof.

2.5 Appointment Period. "Appointment Period" shall have the meaning set forth in Section 9.3 hereof.

2.6 Annexed Property. "Annexed Property" shall have the meaning set forth in Section 6.3 hereof.

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

2.8 Assessment. "Assessment" shall mean a Common Assessment, a Special Assessment or a Reimbursement Assessment, as hereinafter defined.

2.9 Association. "Association" shall mean The Broadlands Master Association Inc., a Colorado nonprofit corporation, its successors and assigns.

2.10 Board of Directors. "Board of Directors" or "Board" shall mean the board of directors of the Association.

2.11 Budget. "Budget" shall mean a written, itemized estimate of the expenses to be incurred by the Association in performing its functions under this Master Declaration and prepared pursuant to Section 7.9 hereof.

2.12 Bylaws. "Bylaws" shall mean the Bylaws of the Association which have been or will be adopted by the Board of Directors of the Association, as the same may be amended from time to time.

2.13 Committee Representative. "Committee Representative" shall have the meaning set forth in Section 9.23 hereof.

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2.14 Common Assessment. "Common Assessment" shall mean the assessments made for the purpose of covering the portion of the annual costs of operating the Association, including expenses incurred in connection with any authorized function of the Association, which are to be allocated to and paid by each Owner to the Association. Any of the foregoing Common Assessments may include, if applicable, a late charge, interest, fines and other costs of enforcement, including reasonable attorneys' fees, in the amount as the court may adjudge, if an Owner defaults in the payment of a Common Assessment.

2.15 Common Element. "Common Element" shall mean any portion of the Association Area designated or acquired as either a General Common Element or Limited Common Element from time to time by Declarant in accordance with Section 6.9 hereof or by the Association in accordance with Section 4.17 hereof.

2.16 Dealer. "Dealer" shall mean a Person in the business of selling Sites for such Person's own account.

2.17 Declarant's Control Period. "Declarant's Control Period" shall have the meaning set forth in Section 3.4 hereof.

2.18 Declarant's Directors. "Declarant's Directors" shall have the meaning set forth in Section 3.4 hereof.

2.19 Declarant's Rights Period. "Declarant's Rights Period" shall have the meaning set forth in Section 6.1 hereof.

2.20 Declarant. "Declarant" shall mean Community Development Group of Broomfield, LLC, a Colorado limited liability company, its successors and assigns. A Person shall be deemed a "successor and assign" of Declarant only if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Master Declaration, and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Master Declaration which are specifically designated in the written instrument. However, a successor to Declarant by consolidation or merger, shall automatically be deemed a successor or assign of Declarant under this Master Declaration.

2.21 Deed of Trust. "Deed of Trust" shall mean a Mortgage, as hereinafter defined.

2.22 Design Guidelines. "Design Guidelines" shall mean "The Broadlands Residential Improvement Guidelines," which are guidelines and rules relating to the procedures, materials to be submitted, fees and additional factors which will be taken into consideration in connection with the approval of any proposed Improvement to Property, as published and amended and supplemented from time to time by the Design Review Committee.

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2.23 Design Review Committee. "Design Review Committee" shall mean the committee provided for in Article 9 hereof.

2.24 Development Rights. "Development Rights" shall have the meaning set forth in Section 6.10 hereof.

2.25 Eligible First Mortgagee. "Eligible First Mortgagee" shall have the meaning set forth in Section 10.7 herein.

2.26 FHA. "FHA" shall mean the Federal Housing Administration of the United States Department of Housing and Urban Development, including such department or agency of the United States government as shall succeed to the FHA in insuring notes secured by mortgages and deeds of trust on residential real estate.

2.27 FHLMC. "FHLMC" shall mean the Federal Home Loan Mortgage Corporation or The Mortgage Corporation created by Title III of the Emergency Home Finance Act of 1970, including any successor thereto.

2.28 First Mortgagee. "First Mortgagee" shall mean a Mortgagee whose Mortgage has first priority over any other Mortgages encumbering the same property as is encumbered by such Mortgage.

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

2.30 General Common Element. "General Common Element" shall mean all real and personal property, including Improvements, acquired or designated as a General Common Element on Exhibit C or from time to time by Declarant or by the Association, which is for the common use and enjoyment of all of the owners as may be provided herein or in an Amended Declaration covering such portion of the Association Area. General Common Elements shall be owned by the Association.

2.31 GNMA. "GNMA" shall mean the Government National Mortgage Association administered by the United States Department of Housing and Urban Development, including any successor thereto.

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

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

2.34 Improvement to Property. "Improvement to Property" shall mean any Improvement, change, alteration or addition to any property within the Association Area. "Improvement to Property" is more particularly defined in section 9.2 hereof.

2.35 Limited Common Element. "Limited Common Element" shall mean any portion of the Association Area designated as a Limited Common Element on Exhibit D or from time to time by Declarant in accordance with Section 6.9 hereof, or by the Association in accordance with Section 4.17 hereof, which is for the exclusive use and benefit of the Owners of certain Sites, as may be provided herein or in an Amended Declaration covering such portion of the Association Area, including without limitation, active adult amenity areas, tennis courts, parks and detention ponds. Such Limited Common Element may be owned (a) by a Subassociation in which all of such Owners shall be entitled to membership, or (b) in undivided interests by such Owners, or (c) separately by individual Owners over which the Association and/or a Subassociation may have an easement for maintenance or other purposes, or (d) by a cooperative housing corporation as defined in section 216 of the Internal Revenue Code of 1986, as amended.

2.36 Manager. "Manager" shall mean any one or more Persons employed by the Association as hereinafter provided, who is engaged to perform any of the duties, powers or functions of the Association.

2.37 Member. "Member" shall mean the Person, or if more than one, all Persons collectively, who constitute the Owner of a Site within the Association Area, including Declarant, any Principal Builder and any Dealer, but excluding the Association.

2.38 Metropolitan Districts. "Metropolitan Districts" shall mean The Broadlands Metropolitan District No. 1, a quasi municipality formed pursuant to Title 32, Colorado Revised Statutes, and The Broadlands Metropolitan District No. 2, a quasi municipality formed pursuant to Title 32, Colorado Revised Statutes.

2.39 Mortgage. "Mortgage" shall mean any mortgage or deed of trust or other such instrument, including without limitation, a VA executory land sales contract, whether or not such instrument is insured, held or guaranteed by any Government Mortgage Agency given voluntarily by the Owner of a Site or Common Element, including Declarant and the Association, encumbering the Site or Common Element to secure the performance of an obligation or the

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payment of a debt and which is required to be released upon performance of the obligation or payment of the debt. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage."

2.40 Mortgagee. "Mortgagee" shall mean a mortgagee under a Mortgage or a beneficiary under a Deed of Trust or other such instrument, including without limitation, a beneficiary under VA executory land sales contract, as the case may be, and the assignees of such Mortgagee.

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

2.42 Non-Declarant Director. "Non-Declarant Director" shall have the meaning set forth in Section 3.5 hereof.

2.43 Nonprofit Corporations Act. "Nonprofit Corporations Act" shall mean the Colorado Nonprofit Corporations Act, Colorado Revised Statutes, 7-20-101, *et seq.*, as amended from time to time.

2.44 Notice and Hearing. "Notice and Hearing" shall mean a written notice and a public hearing before the Board of Directors or a tribunal appointed by the Board, in the manner provided in the Bylaws.

2.45 Notice of Completion. "Notice of Completion" shall mean written notice to the Design Review Committee of the completion of any Improvement to Property pursuant to Article 9 hereof.

2.46 Notice of Default. "Notice of Default" shall have the meaning set forth in Section 7.17 hereof.

2.47 Notice of Withdrawal. "Notice of Withdrawal" shall have the meaning set forth in Section 6.6 hereof.

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

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

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2.50 Purchaser. "Purchaser" shall mean a Person, other than Declarant, Principal Builder or a Dealer, who by means of a transfer acquires a legal or equitable interest in a Site, other than (a) a leasehold interest of less than forty years, including renewal options, with the leasehold interest, including renewal options, being measured from the date the initial term commences, or (b) a security interest.

2.51 Record, Recording, Recorded or Recordation. "Record," "Recording," "Recorded" or "Recordation" shall mean the filing for record of any document in the office of the clerk and recorder in Adams County, Colorado.

2.52 Principal Builder. "Principal Builder" shall mean an Owner which acquires one or more vacant Sites for the purpose of construction of a residence or residences thereon and resale to the ultimate Purchaser and who is designated as a Principal Builder in writing by the Declarant.

2.53 Reimbursement Assessment. "Reimbursement Assessment" shall mean a charge against a particular Owner and his Site for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation, directly attributable to the Owner, of this Master Declaration or the Rules and Regulations, pursuant to Section 7.15 hereof. Any Reimbursement Assessments may include, if applicable, a late charge, interest, fines and other costs of enforcement, including reasonable attorneys' fees, in the amount as a court may adjudge, if an Owner defaults in the payment of a Reimbursement Assessment.

2.54 Related User. "Related User" shall have the meaning set forth in Section 4.19 hereof.

2.55 Rules and Regulations. "Rules and Regulations" shall mean rules and regulations adopted by the Board of Directors as provided in Section 4.18 hereof.

2.56 Site. "Site" shall mean any lot or parcel of land or condominium unit within the Association Area which (a) is shown upon any Recorded plat map, or (b) may be sold or conveyed without violation of the provisions of Colorado law pertaining to the subdivision of land. The term "Site" shall not include any property described in Section 7.23 hereof.

2.57 Special Assessment. "Special Assessment" shall mean a charge against each Owner and his Site representing a portion of the costs to the Association for the purpose of funding major capital purchases, repairs, maintenance, replacements and Improvements, pursuant to Section 7.17 hereof, or for any other purpose designated herein. Any Special Assessments may include, if applicable, a late charge, interest, fines and other costs of enforcement, including reasonable attorneys' fees, in the amount as the court may adjudge, if an Owner defaults in the payment of a Special Assessment.

2.58 Special Declarant Rights. "Special Declarant Rights" shall have the meaning set forth in Section 6.1 hereof.

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2.59 Subassociation. "Subassociation" shall mean any Colorado corporation, or unincorporated association, and its successors and assigns, organized and established or authorized pursuant to, or in connection with, one or more declarations pertaining to such subassociation and of which the membership is composed of Owners of Sites within all or part of the area covered by this Master Declaration.

2.60 VA. "VA" shall mean the Veterans Administration of the United States of America, including such department or agency of the United States government as shall succeed to the VA in its present function of issuing guarantees with respect to notes secured by Mortgages on Sites.

2.61 Tract "Tract" shall mean a geographical area within the Association Area created and designated as a "Tract" by final plats approved by the City of Broomfield.

### ARTICLE 3 ASSOCIATION OPERATION

3.1 Association. The Association has been formed as a Colorado corporation under the Nonprofit Corporations Act. The Association has been organized prior to the date that the first Site in the Association Area is conveyed to a Purchaser by Declarant, by any Dealer, or by any Principal Builder. The Association shall have the duties, powers and rights set forth in this Master Declaration and in its Articles of Incorporation and Bylaws.

3.2 Association Board of Directors. The affairs of the Association shall be managed by the Board of Directors. The number, term and qualifications of the Board of Directors shall be fixed in the Articles of Incorporation or Bylaws. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers of the Association or to agents and employees of the Association, and to Managers, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized executive committee, officer, agent or employee, or Manager without a vote of Members, except as otherwise specifically provided in this Master Declaration.

3.3 Membership in Association. Each Owner of a Site within the Association Area shall be a Member of the Association, including Declarant, any Dealer and any Principal Builder, but excluding the Association. There shall be one (1) membership in the Association for each Site within the Association Area. The Owner of a Site shall automatically be the holder of the Membership appurtenant to that Site, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Site. Declarant, any Dealer and any Principal Builder shall hold one (1) Membership in the Association for each Site owned by Declarant, by any such Dealer or by any such Principal Builder. Membership in the Association shall not be assignable separate and apart from fee simple title to a Site except that an Owner may assign some or all of his rights as



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a Member of the Association to a tenant or Mortgagee and may arrange for a tenant to perform some or all of such Owner's obligations as provided in this Master Declaration, but no Owner shall be permitted to relieve himself of the responsibility for fulfillment of his obligations of an Owner under this Master Declaration.

3.4 Election of Directors and Officers by Declarant. From date of formation of the Association until the termination of Declarant's control as provided below, Declarant shall have the right to appoint and remove directors of the Board and officers of the Association as hereinafter provided. The period of Declarant's control of the Association (the "Declarant's Control Period") shall terminate no later than either sixty (60) days after conveyance to Purchasers of seventy-five percent (75%) of the Sites that may be created within the Association Area as provided in Section 1.2 of this Master Declaration (currently 2,500 Sites), two (2) years after the last conveyance of a Site to a Purchaser, a Dealer or a Principal Builder by Declarant in the ordinary course of business, or two years after Declarant's right to add new Sites was last exercised. Declarant may voluntarily determine, in its sole discretion, to surrender its control reserved hereunder before termination of Declarant's Control Period; provided, however, that in this event, Declarant may require that for the balance of what would have otherwise been the Declarant's Control Period, certain actions taken by the Association or the Board, as described in a Recorded instrument executed by Declarant, shall be approved by Declarant before such actions become effective.

Except as otherwise provided below, until the termination of Declarant's Control Period, Declarant shall have the sole right to elect all directors (collectively, the "Declarant Directors") and to remove any director with or without cause at any time and to fill all vacancies of all directors. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Sites that may be created within the Association Area as provided in Section 1.2 of this Master Declaration May Be Included to Purchasers, at least one (1) director and not less than twenty-five percent (25%) of the directors of the Board of Directors shall be elected by Owners other than the Declarant. Declarant shall have the sole right to appoint the remaining directors then sitting on the Board and to remove and fill vacancies of any such Declarant Director. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Sites that may be created within the Association Area as provided in Section 1.2 of this Master Declaration to Purchasers, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board of Directors must be elected by Owners other than the Declarant. Declarant shall have the sole right to appoint the remaining directors then sitting on the Board and to remove and fill vacancies of any such Declarant Director.

3.5 Election of Non-Declarant Directors. Each director elected pursuant to the provisions of this section shall be referred to as a "Non-Declarant Director." At such time as the provisions of Section 3.4 require that a Non-Declarant Director be elected, such Non-Declarant Director shall be elected by a majority vote of the Owners other than Declarant and the Association at a duly convened meeting of Owners for such purpose. The Non-Declarant Directors shall be removed in accordance with the provisions of the Bylaws applicable to the

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removal of directors. Upon termination of the Declarant's Control Period as provided in Section 3.4, the Board shall consist of at least three (3) directors, at least a majority of whom must be Owners other than Declarant, and the Board shall elect the officers. The elected directors and officers shall take office upon election. After the Owners elect a majority of the Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held or controlled by the Declarant, if and to the extent required by the Act. Notwithstanding anything to the contrary contained herein, when and at such time as Owners are entitled to elect Non-Declarant Directors to the Board, only Owners whose voting rights are in good standing under the Bylaws shall be entitled to vote thereon. In accordance therewith, any and all provisions contained herein requiring the approval of a requisite percentage of Owners, as set forth in the Bylaws, shall be deemed satisfied when the requisite percentage of Owners entitled to vote has been met.

3.6 Voting Rights of Owners. Each Owner, including Declarant, any Dealer and any Principal Builder, but excluding the Association, shall have the right to cast one (1) vote for each Site owned by such Owner that is subject to this Master Declaration. The Bylaws shall provide for the manner, time, place, conduct, and voting procedures for Owner meetings for the purposes of electing a Non-Declarant Director to the Board of Directors and any other matters upon which Owners are required hereunder to vote. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, and in the Bylaws, shall be deemed to be binding on all Owners, and their successors and assigns. For meetings of Members to approve material amendment(s) to this Master Declaration or extraordinary actions as required by VA or other Government Mortgage Agencies, except for changes and revisions to comply with the requirements of Government Mortgage Agencies as reserved to Declarant herein, at least twenty five (25) days advance notice to all Members shall be required stating the purpose of the meeting, providing a summary of the material amendment or extraordinary action proposed, and containing a proxy that can be cast in lieu of attendance at the meeting. The Bylaws shall set forth the requirements for a quorum at a meeting of Members provided that a quorum shall not be less than five percent (5%) of the Members present at the beginning of a meeting, in person or by proxy.

ARTICLE 4  
DUTIES AND POWERS OF ASSOCIATION

4.1 General Duties and Powers of Association. The Association has been formed to further the common interests of the Owners. The Association, acting through the Board or Persons to whom the Board has delegated such powers, shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Owners, to control, manage, maintain, improve and enhance Common Elements and to improve and enhance the attractiveness, and desirability of the Association Area.

4.2 Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept title to any real property, including any Improvements thereon, and personal property

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transferred to the Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all functions associated therewith, provided that such property and functions are not inconsistent with the terms of this Master Declaration. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests and licenses. Any property or interest in property transferred to the Association by Declarant shall be within the boundaries of the Association Area, and may be within any Annexable Area as Declarant may elect, in its sole discretion. Any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and encumbrances (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Master Declaration, the terms of any Amended Declaration affecting such property, any reserved Special Declarant Rights set forth in Article 6 hereof, and any other easements, covenants, conditions, restrictions and equitable servitudes or other encumbrances affecting such property prior to the time of conveyance thereof. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by Declarant shall impose upon the Association any obligation to make monetary payments to Declarant or any affiliate of the Declarant, including, but not limited to, any purchase price, rent, charge or fee.

4.3 Duty to Manage and Care for Property. The Association shall manage, operate, care for, maintain and repair all General Common Elements and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Owners. The Association may also be required to manage, operate, care for, maintain and repair certain Limited Common Elements, the responsibility for which has been assumed by the Association in accordance with Section 4.23 hereof, and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Owners entitled to utilize such Limited Common Elements.

Notwithstanding the foregoing, the Association shall have the right, but not the obligation, to delegate its powers and duties to manage, operate, care for, maintain and repair any General Common Elements or Limited Common Elements, or portions thereof, to any Subassociation within all or a part of the area covered by this Master Declaration. Any such delegation to a Subassociation shall be limited to those General Common Elements or Limited Common Elements within or adjacent to the area covered by the Declaration of any Subassociation or operated primarily for the benefit thereof as determined by the Board. Those General Common Elements and Limited Common Elements subject to delegation shall include, without limitation, the following: entry feature landscaping; peripheral landscaping along streets, connector roadways and arterial roadways; open space buffers; bike and pedestrian pathways; community amenities; active adult amenities; and community monumentation adjacent to or part of such Subassociation area. Any Subassociation shall be obligated to accept any such delegation and, upon such delegation, to manage, operate, care for, maintain and repair the General Common Element or Limited Common Element in the manner as required of the Association as elsewhere provided in this Declaration.

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4.4 Duty to Pay Taxes. The Association shall pay all taxes and assessments (not including Assessments hereunder) levied upon Sites owned by the Association, the General Common Elements and any Limited Common Elements, the responsibility for which has been assumed by the Association in accordance with Section 4.23 hereof, and all taxes and assessments (not including Assessments hereunder) payable by the Association. The Association shall have the right to contest any such taxes or assessments, provided that the Association shall contest the same by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment, and provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

4.5 Duty to Maintain Casualty Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably available, "all-risk" or "broad form" hazard insurance with respect to all insurable Sites owned by the Association, Common Elements, property that must become Common Elements, Improvements and personal property owned by the Association, including coverage for flood, if within an area of special flood hazard as identified by the Federal Emergency Management Agency and flood insurance coverage has been made available under the National Flood Insurance Program, and any other coverage required by any Government Mortgage Agency. Such insurance shall, to the extent reasonably available, be for the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, and exclusive of land, excavation, foundations and other items normally excluded from property casualty policies.

4.6 Duty to Maintain Liability Insurance. The Association shall obtain and keep in force and effect at all times, to the extent reasonably obtainable, broad form comprehensive general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of any Sites owned by the Association, the General Common Elements, any Limited Common Elements and any Improvements thereon, the responsibility for which has been assumed by the Association in accordance with Section 4.23 hereof, and covering public liability for bodily injury and property damage, and if the Association owns or operates motor vehicles, public liability for bodily injury and property damage arising as a result of the ownership and operation of motor vehicles. Such liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable (a) have limits of not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) per occurrence, as may be increased by the Association from time to time; (b) insure the Board, the Association, the Design Review Committee, the Managers, if any, and their respective employees, agents and all Persons acting as agents; (c) include Declarant as an additional insured in its capacity as Declarant, an Owner or director of the Board; (d) include the Owners as an additional insured, but only for claims and liabilities arising in connection with the ownership or use of the General Common Elements or applicable Limited Common Elements; (e) cover claims of one or more insured parties against other insured parties; (f) include a "severability of interest" clause or endorsement precluding the insurer's denial of any affected Person's claims because of the

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negligent acts of the Board, the Association, the Design Review Committee, the Managers, if any, Declarant, and their respective employees, agents and all Persons acting as agents, or of any other Owner; and (g) include any Subassociation as an additional insured, but only for claims and liabilities arising out of any delegation of duties with respect to General Common Elements and Limited Common Elements made pursuant to Section 4.3 hereof.

4.7 General Provisions Respecting Insurance. Insurance obtained by the Association may contain such deductible provisions as good business practice or any Government Mortgage Agency may dictate. If the insurance described is not reasonably available, or if any policy of such insurance is cancelled or renewed without a replacement policy therefor having been obtained by it, the Association shall promptly cause notice of that fact to be delivered to all Owners. The Association may carry any other type of insurance it considers appropriate in amounts it deems appropriate, or as may be required by any Government Mortgage Agency to insure the interests of the Association. Insurance policies carried pursuant to Sections 4.5 and 4.6 shall provide that (a) the Association and each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the General Common Elements or applicable Limited Common Elements or arising out of such Owner's membership in the Association; (b) the insurer waives its right of subrogation under the policy against the Association, Declarant, the Design Review Committee, each Owner, and any Person claiming by, through or under such Owner or any director, Manager, agent or employee of the foregoing; (c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and (d) if at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy shall be the primary insurance. For purposes of obtaining the waiver described in clause (b) above, the Association, the Design Review Committee, Declarant, and each Owner hereby waive any rights each may have against the others or against any director, Manager, agent or employee of the foregoing, on account of any loss or damage is incurred by any such Person to its Site, to any Common Element and to any Improvements thereon, arising from any risk generally covered by the casualty insurance policies maintained by the Association. The foregoing Persons each, on behalf of the insurance companies providing the casualty insurance against any such loss, waive any right of subrogation that such Person may have against the other. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration for all deductibles paid by the Association as a Reimbursement Assessment. Insurance obtained by the Association shall, to the extent reasonably possible, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant and any Person claiming by, through, or under Declarant. Insurance policies and insurance coverage shall be reviewed at least annually by the Board of Directors to ascertain whether coverage under the policies is sufficient in light of the current values of the General Common Elements, applicable Limited Common Elements and any Improvements thereon, as well as of property that is required to become Common Elements, and in light of the possible or potential liabilities of the

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Association. The aforementioned insurance may be provided under blanket policies covering the General Common Elements, applicable Limited Common Elements, any Improvements thereon, and property of Declarant. In no event shall insurance coverage obtained or maintained by the Association be sought for contribution with insurance purchased by Owners, Related Users or their Mortgagees for damage to their Site.

4.8 Fidelity Bonds Required. The Association shall obtain and keep in force at all times a fidelity bond or bonds for any Person handling funds of the Association including, but not limited to, the Manager and employees of the Manager. Each such bond shall name the Association as obligee and the amount of such bonds shall be determined by the Board. Each such bond shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. In the event the Association has delegated some or all of its responsibility for the handling of funds to a Manager, the Association may require the Manager to purchase, at its own expense, a fidelity bond which fully complies with the provisions of this section.

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

4.10 Insurance and Bonds Required by Government Mortgage Agencies. The Association shall obtain and keep in full force and effect such insurance and bonds other than or in addition to those described in this Article 4 as may be required by Government Mortgage Agencies to the extent that any such Government Mortgage Agency holds, or has agreed to insure or to guarantee, any Mortgage on any Site within the Association Area, except to the extent such insurance or bond is not available or has been waived in writing by such Government Mortgage Agency. To the extent that the Government Mortgage Agencies have additional or more specific requirements for the insurance and bonds to be maintained by the Association, the Association shall obtain and keep in full force and effect such other insurance and bonds.

4.11 Duty to Prepare Budgets. The Association shall prepare Budgets for the Association as provided in Article 7 hereof.

4.12 Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as provided in Article 7 hereof.

4.13 Duty to Amend Master Declaration upon Declarant's Exercise of Special Declarant's Rights. The Association shall amend this Master Declaration upon the request of Declarant in connection with Declarant's exercise of its Special Declarant's Rights, other than its Development Rights, and easements reserved in Article 6 hereof.

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4.14 Duty to Provide Audit. The Association may provide for an annual independent audit of the accounts of the Association. Copies of the report of the audit, if made, shall be made available to any Owner upon request for inspection during normal business hours, and copies of the same shall be made available to any Owner who requests a copy of the same upon payment by such Owner of the reasonable cost of copying the same.

4.15 Duties with Respect to Architectural Approvals. The Association shall perform functions to assist the Design Review Committee as may be provided in Article 9 hereof.

4.16 Duties with Respect to Metropolitan Districts. The Association shall cooperate with Metropolitan Districts within the Association Area, if any, to enable both the Association and the Metropolitan Districts to most efficiently and economically provide their respective services to Owners.

4.17 Power to Acquire Property and Construct Improvements. The Association may acquire property or interests in property as a Common Element for the common benefit of all Owners or for particular Owners, as applicable, including Improvements and personal property. The Association may construct Improvements to Property and may demolish existing Improvements.

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

4.19 Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of this Master Declaration and of Rules and Regulations, and shall take such action as the Board deems necessary or desirable to cause such compliance by each Owner and each Person claiming by, through or under such Owner ("Related User"). Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Master Declaration and of the Rules and Regulations of the Association by any one or more of the following means: (a) by entry upon any Site within the Association Area

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after Notice and Hearing (unless a bona fide emergency exists), without liability to the Owner therefor, for the purpose of enforcement or causing compliance with this Master Declaration or the Rules and Regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Master Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Master Declaration or the Rules and Regulations; (d) by suspension, after Notice and Hearing, of any Owner or Related User from use of any recreational facilities on the Common Elements or Limited Common Elements maintained by the Association during and for up to sixty (60) days following any breach of this Master Declaration or such Rules and Regulations by such Owner or any Related User, unless the breach is a continuing breach, in which case such suspension shall continue for so long as the breach continues; (e) by suspension, after Notice and Hearing, of the voting rights of an Owner during and for up to sixty (60) days following any breach by such Owner or a Related User of such Owner of this Master Declaration or such Rules and Regulations, unless the breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after Notice and Hearing, a Reimbursement Assessment against any Owner for breach of this Master Declaration or such Rules and Regulations by such Owner or a Related User of such Owner; and (g) by levying and collecting, after Notice and Hearing, reasonable and uniformly applied fines and penalties, established in the Rules and Regulations, or by the Board from time to time, from any Owner or Related User for breach of this Master Declaration or such Rules and Regulations by such Owner or a Related User of such Owner.

4.20 Power to Provide Public Functions. The Association shall have the power to acquire, construct, operate, manage, maintain, repair and replace public facilities and to provide public functions as provided herein.

4.21 Power to Provide Services to Metropolitan Districts. Metropolitan Districts, if any, or the Association may use the services of the other in the furtherance of its obligations, and they may contract with each other to better provide for such cooperation.

4.22 Power to Provide Services to Subassociations. The Association shall have the power to provide services to Subassociations. Such services to any Subassociation shall be provided pursuant to an agreement in writing between the Association and such Subassociation which shall provide for the payment by such Subassociation to the Association of the reasonably estimated expenses of the Association incurred in providing such services to the Subassociation including a fair share of the overhead expenses of the Association. Services which may be provided to a Subassociation may include, without limitation, (a) the construction, care, operation, management, maintenance, repair and replacement of Improvements or Limited Common Elements owned by the Subassociation or certain of its members; (b) the providing of public functions to the area covered by the Subassociation; (c) the enforcement of the provisions of any Amended Declaration for, on behalf of, and in the name of the Subassociation; (d) the collection of assessments for, in the name of, and on behalf of a Subassociation; (e) the payment of taxes for



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a Subassociation with funds of the Subassociation or of the Association; (f) the obtaining of insurance for a Subassociation; (g) the collection of charges for use of facilities or Limited Common Elements of a Subassociation or certain of its members; and (h) the appointment and supervision of a Manager or Managers for a Subassociation and/or its Limited Common Elements.

4.23 Power to Provide Special Services for Owners. The Association shall have the power to provide services to an Owner or group of Owners, including, without limitation, the construction, care, operation, management, maintenance, repair and replacement of Limited Common Elements to which such Owners are entitled to use. Any service or services to an Owner or group of Owners shall be provided pursuant to an agreement in writing, which shall provide for payment to the Association by such Owner or group of Owners of the reasonably estimated costs and expenses of the Association of providing such services, including a fair share of the overhead expenses of the Association and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon such Owner or group of Owners, and any heirs, personal representatives, successors and assigns of the Owner or group of Owners, and that the payment for such services shall be secured by a lien on the property of the Owner or group of Owners.

4.24 Power to Charge for Facilities and Services. The Association shall have the power to establish reasonable and uniformly applied charges for the use of facilities and services. The charges may include reasonable admission or other fees for any special or extraordinary use of property or facilities or services of the Association such as special parking privileges, special recreational facilities, conference rooms, instruction, day-care or child-care services, or similar uses beyond the ordinary use of Common Elements, facilities and services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by the Board of Directors.

4.25 Power to Enter Sites and Grant Easements. The Association shall have the right to enter any Site to perform emergency repairs or to do other work necessary for the maintenance of the Association Area. The Association shall have the power to grant access, utility, drainage, water facility and other such easements, permits and licenses in, on, over or under Common Elements, and the Association shall have the power to assume obligations in connection therewith. The Association shall have the power to designate portions of the General Common Elements as Limited Common Elements. Notwithstanding anything to the contrary contained in this Master Declaration, if any part of the General Common Elements encroaches or shall hereafter encroach upon a Site, an easement for such encroachment and for the maintenance of the same, so long as it exists, shall be deemed to have been herewith granted. If any part of a Site encroaches or shall hereafter encroach upon the Common Elements, or upon another Site, the Owner of that Site shall have an easement for such encroachment and for the maintenance of the same so long as it exists, shall be deemed to have been herewith granted. Such encroachments shall not be considered to be encumbrances either on the Common Elements or on a Site for purposes of marketability of title or otherwise. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Improvement to Property, by error in the

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boundaries set forth in a plat map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvement to Property or any part thereof.

4.26 Power to Convey and Dedicate Property to Government Agencies. With the approval of Owners holding at least eighty percent (80%) (or, in the event that the Association consists of over 1,000 Owners, sixty-seven percent (67%)) of the votes of the Association, including eighty percent (80%) of the votes of Owners other than Declarant, the Association shall have the power to grant, convey, dedicate or transfer any Common Elements or facilities to any public or governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate. Any such conveyance shall be subject to the provisions elsewhere contained in this Master Declaration requiring approval of the same by Mortgagees, Government Mortgage Agencies, by Declarant, and by the Owners of Sites allocated any affected Limited Common Element.

4.27 Power to Borrow Money and Mortgage Property. The Association shall have the power to borrow money and to encumber Common Elements as security for such borrowing with the approval of Owners holding at least eighty percent (80%) (or, in the event that the Association consists of over 1,000 Owners, sixty-seven percent (67%)) of the votes of the Association, including eighty percent (80%) of the votes of Owners other than Declarant, to encumber Common Elements as security for such borrowing. Any such encumbrance shall be subject to the provisions elsewhere contained in this Master Declaration requiring approval of the same by Mortgagees, by Government Mortgage Agencies, by Declarant and by the Owners of Sites allocated any affected Limited Common Element. An agreement to convey, or subject the Common Elements to a security interest in accordance with this Section 4.27 shall be evidenced by the execution or ratification of an agreement by the requisite number of Owners hereinabove described, subject to the provisions elsewhere contained in this Master Declaration requiring approval of the same by Mortgagees, by Government Mortgage Agencies, by Declarant or by the Owners of Sites allocated any affected Limited Common Element. The agreement shall specify a date after which the agreement will be void unless it has theretofore been Recorded. The agreement shall be effective upon Recordation.

4.28 Power to Employ Managers. The Association shall have the power to retain and pay for the services of a Manager to undertake any of the management or other functions for which the Association has responsibility under this Master Declaration to the extent deemed advisable by the Association. The Association may delegate any of its duties, powers or functions to any such Manager. Any contract or agreement with any such Manager shall be terminable by the Association for cause on no more than thirty (30) days' prior written notice, and shall be terminable by the Association without cause and without payment of a termination fee on no more than ninety (90) days prior written notice. Any such contract or agreement shall be for a term of no more than one (1) year but may be subject to renewal for succeeding terms of no more than one (1) year each. Notwithstanding any delegation to a Manager of any duties, powers or functions of the Association, the Association and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, powers and functions. Any agreement or contract

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with a Manager shall contain any other provisions which are required to be contained therein by any Government Mortgage Agency.

4.29 Power to Engage Employees, Agents and Consultants. The Association shall have the power to hire and discharge employees and agents and to retain and pay for legal, consulting, engineering, architectural and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under this Master Declaration.

4.30 General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Nonprofit Corporations Act, including without limitation entering into partnership and other agreements, subject only to such limitations upon such powers as may be set forth herein or in the Articles of Incorporation or Bylaws. The Association shall also have the power to do any and all lawful things which may be authorized, required or permitted to be done hereunder or the Articles of Incorporation and Bylaws and to do and perform any and all acts which may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of the Association hereunder and the Articles of Incorporation and Bylaws.

4.31 General Association Powers. In addition to the powers set forth in this Article 4, the Association shall have the full power to take and perform any and all actions which may be lawfully taken by the Association under the Colorado Nonprofit Corporation Act or any other applicable law.

4.32 Powers as to Trash Collection. The Association shall have the power to regulate the days and hours during which trash, solid waste and recycling materials may be collected or put out for collection in any part of the Association Area, and to regulate the number of trash collection service providers permitted to operate within all or any portion of the Association Area. The Association shall also have the power to provide services for the collection of trash, solid waste and recycling materials within all or any portions of the Association Area. In the event the Association provides for such services, each Owner within any area served by such services shall, whether or not such Owner utilizes the service, be obligated to pay Special Assessments levied by the Association to cover the costs of providing such function. The areas to be served and the amount of Special Assessments shall be determined by the Board of Directors. The amount of the Special Assessments shall be reasonable and shall represent a fair allocation of the costs of providing the services, including a fair allocation of administrative and overhead costs of the Association.

ARTICLE 5  
COMMON ELEMENTS

5.1 Owners' Rights of Use and Enjoyment Generally. Subject to the right of the Association to regulate, convey and encumber the Common Elements, all Owners may use the

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General Common Elements. Each Owner shall have an easement (i) in the applicable General Common Elements for purposes of access to their Sites, and (ii) to use the applicable General Common Elements or Limited Common Elements and all other real estate in the Annexable Area that must become Common Elements for all other purposes specified herein and in any Amended Declaration of Annexed Property.

5.2 Right of Association to Regulate Use. The Association, acting through the Board, shall have the power to regulate use of Common Elements by Owners entitled to use the same, and the public, to further and enhance the overall rights of use and enjoyment of all Owners entitled to use the same, including imposing reasonable limits on the times of use and numbers of Related Users permitted to use Common Elements.

5.3 Right of Association to Allow Public Use. The Association, acting through the Board, shall have the right to allow members of the general public to use General Common Elements, subject to reasonable limitations, and provided that use by the general public does not unreasonably interfere with or impair the rights of use and enjoyment of Owners.

5.4 No Partition of Common Elements. No Owner shall have the right to partition or seek partition of the Common Elements or any part thereof.

5.5 Liability of Owners for Damage. Each Owner shall be liable to the Association for any damage to Common Elements or for any expense or liability incurred by the Association, to the extent not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such Owner or any Related User using the Common Elements through such Owner and for any violation by such Owner or any such Related User of this Master Declaration or any Rule or Regulation adopted by the Association. The Association shall have the power to levy and collect a Reimbursement Assessment against an Owner after Notice and Hearing to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of this Master Declaration or of the Rules and Regulations or for any increase in insurance premiums directly attributable to any such damage or any such violation.

5.6 Association Duties if Damage, Destruction or Required Improvements. In the event of damage to General Common Elements (or Limited Common Elements for which the Association has assumed responsibility in accordance with Section 4.23 hereof) by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction or replacement of any General Common Elements (or Limited Common Elements for which the Association has assumed responsibility in accordance with Section 4.23 hereof), the Association shall have the duty to repair, reconstruct or replace the same. Any insurance proceeds payable by reason of damage or destruction of Common Elements by fire or other casualty shall be paid to the Association and shall be used, to the extent necessary, to pay the costs of repair, reconstruction or replacement. If funds from insurance proceeds or from reserves for replacement are insufficient to pay all costs of repair, reconstruction or replacement of Improvements damaged or destroyed, or if the Association is required to make repairs, replacements or Improvements by governmental

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authorities, the Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement or improvement, levy a Special Assessment in accordance with Section 7.14, or if an Owner or group of Owners is liable for such damage, levy a Reimbursement Assessment against the Owner or group of Owners responsible therefor, to provide the additional funds necessary as elsewhere provided in this Master Declaration. Repair, reconstruction or replacement of Common Elements shall be done under such contracting and bidding procedures as the Association shall determine are appropriate. If insurance proceeds available to the Association on account of damage or destruction exceed the cost of repair, reconstruction and replacement, the Association may deposit the excess proceeds in the appropriate fund determined by the Board, as a reserve for future maintenance, repair, reconstruction or replacement of General Common Elements, or may be used for Improvements or additions to, or operation of, General Common Elements. If the insurance proceeds were paid as a result of damage to or destruction of a Limited Common Element, any excess proceeds shall be deposited in the applicable fund established for that Limited Common Element and applied solely to the particular Limited Common Element.

5.7 Association Powers in the Event of Condemnation. If any Common Elements or interests therein are taken, under the exercise of the power of eminent domain or by private purchase in lieu thereof, the award in condemnation or the price payable shall be paid to the Association, except to the extent payable to any other Person with an interest in such property, including any owner of a Limited Common Element and any Mortgagee of such property. The Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners therein. Any award or funds received by the Association shall be held by the Association in the appropriate fund determined by the Board, as a reserve for future maintenance, repair, reconstruction or replacement of Common Elements, or may be used for Improvements or additions to, or operation of, Common Elements. However, if any award is attributable to a Limited Common Element, then the award shall be used solely for the benefit of the Improvements in such Limited Common Element. No affected Person shall be entitled to participate as a party or otherwise in any condemnation proceedings, and each affected Person hereby appoints the Association as its attorney-in-fact for the purposes of this section.

5.8 Title to Common Elements on Dissolution of Association. In the event of dissolution of the Association, the Common Elements shall, to the extent reasonably possible, be conveyed, dedicated, or transferred to an appropriate public or governmental agency or agencies or to a nonprofit corporation, association, trust or other organization, to be used, in any such event, for the common benefit of Owners for similar purposes for which the particular Common Element was held by the Association. To the extent the foregoing is not possible, the General Common Elements shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners in proportion to the number of units of Common Assessments allocated to each Owner, as determined in Section 7.5 hereof. The proceeds from the sale or disposition of any Improvements in a Limited Common Element shall be distributed to those Owners entitled to use such facility in proportion to the number of units of Limited Common Element Assessments allocated to such Owners.



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together with any supplemental plats applicable thereto. An Amended Declaration may provide for phased annexation so that Annexed Property may be made subject to the Amended Declaration and this Master Declaration at different times. An Amended Declaration (a) shall be executed and acknowledged by Declarant in accordance with Section 10.2 hereof, and by the owner of the Annexed Property described therein, if other than Declarant; (b) shall contain an adequate legal description of the Annexed Property, including legal descriptions of Sites and Common Elements; (c) shall contain a reference to this Master Declaration which shall state its date, its date of Recordation and the book and page of the records of the county clerk and recorder's office where this Master Declaration is Recorded; (d) shall contain a statement that the Annexed Property is declared to be part of the Association Area under this Master Declaration and that the Annexed Property shall be subject to this Master Declaration; (e) shall state whether the Owners of any Sites therein or other Persons shall be authorized to use any Limited Common Element; (f) shall designate in which Tract the Annexed Property is located; (g) shall provide that Sites therein shall be subject to the jurisdiction of a Subassociation or shall not be subject to the jurisdiction of a Subassociation; (h) and may include such other provisions as Declarant deems necessary or appropriate. A deed by which Declarant conveys a parcel of property to another Person may constitute an Amended Declaration if it meets the foregoing requirements. An Amended Declaration may impose on the Annexed Property described therein covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions in addition to those set forth in this Master Declaration, taking into account the unique and particular aspects of the proposed development of the Annexed Property covered thereby. An Amended Declaration may provide for a Subassociation of Owners within the property described in the Amended Declaration and for the right of the Subassociation to assess such Owners. Upon Recordation of an Amended Declaration, the Annexed Property shall be subject to all of the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Master Declaration.

6.4 Government Mortgage Agency Approval of Annexations. So long as any Government Mortgage Agency is insuring or guaranteeing loans or has agreed to insure or guarantee loans on any portion of the Association Area, made with respect to the initial sales by Declarant or a Dealer of Sites, then a condition precedent to such annexation by Declarant shall be that the annexation shall have been approved by the Government Mortgage Agency in the manner set forth in Section 10.5 hereof.

6.5 Effect of Annexations. In the event any real property is annexed to the Association Area as provided herein, the definitions used in this Master Declaration shall automatically be expanded to encompass and refer to the Association Area as expanded; e.g., "Association Area" shall mean the real property described herein plus any additional real property annexed thereto; similarly, "Common Element" and "Sites" shall include those areas as described herein as well as those that may be so designated on any Amended Declaration or supplemental plat relating to any real property which is annexed pursuant to Section 6.3. Every Owner of a Site in the Annexable Area annexed to the Association Area shall, by virtue of ownership of a Site within such Annexed Property and upon Recordation of the Amended Declaration, be a Member of the

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Association and shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Member. The Recordation of the Amended Declaration shall operate automatically to grant, transfer, and convey to all Owners of Sites located within the Association Area, and Owners of Sites within the Annexed Property, their respective, appurtenant, undivided rights, titles, interests, privileges, duties and obligations in and to both the existing, appurtenant Common Elements and any additional Common Elements added to the existing Common Elements by virtue of such annexation, if any. Common Assessments for Sites within the Annexed Property shall commence as of the date determined in accordance with Section 7.11. Upon Recordation of the Amended Declaration and any supplemental plat, the additional Sites and Common Elements shall be subject to the terms and provisions of this Master Declaration. Recordation of the Amended Declaration and any supplemental plat shall automatically vest in each existing Owner the reallocated Allocated Interests appurtenant to its Site, and vest in each Mortgagee a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Site.

6.6 Withdrawal of Property by Declarant. Declarant shall have and hereby reserves the unilateral right, but not the obligation, to withdraw from any separately described parcel of the Association Area all or any portion of real property subjected hereby to this Master Declaration and any Annexed Property subjected to this Master Declaration by an Amended Declaration, as applicable, in accordance with the terms and conditions of this section. Such withdrawal of the real property from the portion of the Association Area separately described or the Annexed Property, as applicable, may be accomplished by the execution, acknowledgment and Recordation of an instrument entitled "Notice of Withdrawal" provided that no Site within the portion of the Association Area separately described or the Annexed Property, as applicable, has been conveyed to a Purchaser. The Notice of Withdrawal (a) shall be executed and acknowledged by Declarant in accordance with Section 10.2 hereof, and by the owner of the Annexed Property, if other than Declarant; (b) shall contain an adequate legal description of the withdrawn property; (c) shall contain a reference to this Master Declaration and the Amended Declaration for the Annexed Property, if applicable, which reference shall state the date thereof, the date of Recordation thereof and the book and page of the records in the office of the clerk and recorder of the Colorado county where this Master Declaration and Amended Declaration is Recorded; and (d) shall contain a statement and declaration that the withdrawn property is withdrawn from the Association Area and shall not be thereafter subject to this Master Declaration or the Amended Declaration for the Annexed Property, if applicable. The withdrawal shall be effective upon Recording of the Notice of Withdrawal and, upon Recording of the Notice of Withdrawal, the withdrawn property described therein shall no longer be part of the Association Area or subject to this Master Declaration or to the Amended Declaration for the Annexed Property, if applicable.

6.7 Withdrawal of Property by Mortgagee. If any Mortgagee has a lien or encumbrance against any portion of the Association Area prior to the Recordation of this Master Declaration, or against any portion of the Annexable Area prior to the Recordation of any Amended Declaration applicable to such property, and the lien or encumbrance has not been released, such Mortgagee, upon foreclosing its lien or encumbrance against such property, may record a Notice of Withdrawal excluding the affected real property from the Association Area.



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In such instance, the Board shall reallocate the Allocated Interests as if the foreclosed property were taken by eminent domain by an Amended Declaration prepared, executed and recorded by the Association.

6.8 Expansion or Contraction of Annexable Area. Subject to any limitations contained herein, Declarant shall have and hereby reserves the unilateral right, but not the obligation, to expand or contract the Annexable Area or to add thereto or delete therefrom real property effective upon the Recordation of a written instrument, executed by Declarant, describing such real property and declaring that such real property shall thereafter be added to or deleted from the Annexable Area.

6.9 Miscellaneous Declarant Development Rights Within Association Area. Declarant shall have and hereby reserves the unilateral right, but not the obligation, to construct or create additional Tracts, Sites (subject to the maximum number of Sites set forth in Section 1.2 hereof (currently, 2,500 Sites)) or Common Elements, to subdivide Sites, to convert Sites into Common Elements, and to allocate portions of the Common Elements as Limited Common Elements, on all or any portion of the Association Area. In the event of a conversion of a site into a Common Element, the Board shall reallocate the Allocated Interests as if the converted property were taken by eminent domain by an Amended Declaration prepared, executed and recorded by the Association. In the event of a subdivision of a Site, the Board shall reallocate the Allocated Interests in any reasonable manner prescribed by Declarant by an Amended Declaration prepared, executed and recorded by the Association.

6.10 Exercise of Development Rights Within Association Area. In accordance with the procedures set forth in Section 10.2 hereof, within the Declarant's Rights Period, Declarant may from time to time, in its sole discretion, exercise any of the rights described in sections 6.2, 6.6, 6.8 and 6.9 above (collectively, the "Development Rights"), on all, any or no portion of the Association Area, in whatever order Declarant determines. Declarant makes no assurances as to the boundaries, extent or order of the Association Area upon which Declarant shall exercise any of its Development Rights. The exercise of a Development Right with respect to one portion of the Association Area shall not require the exercise of such Development Right or any other Development Right with respect to such portion or any other portion of the Association Area or the Annexable Area.

6.11 Reservation and Exercise of Development Rights on Annexable Area. Within the Declarant's Rights Period, Declarant may from time to time, in its sole discretion, exercise any of the Development Rights on all, any or no portion of the Annexable Area, in whatever order Declarant determines. Declarant makes no assurances as to the boundaries, extent or order of the Annexable Area upon which Declarant may exercise any of its Development Rights. The exercise of a Development Right with respect to one portion of the Annexable Area shall not require the exercise of any other Development Right with respect to such portion. The exercise of a Development Right with respect to one portion of the Annexable Area shall not require the

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exercise of such Development Right or any other Development Right with respect to any other portion of the Annexable Area or the Association Area.

6.12 Expiration of the Declarant's Rights Period. Upon the expiration or other termination of the Declarant's Rights Period, unless extended in accordance with Section 6.1 hereof, any Site then subject to Development Rights shall become a Common Element.

6.13 Right to Construct Additional Improvements on Common Elements. Declarant shall have and hereby reserves the unilateral right, but not the obligation, to construct additional Improvements on Common Elements at any time and from time to time in accordance with this Master Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners. Declarant shall convey or transfer such Improvements to the Association free of liens relating to the construction thereof and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Master Declaration. If any such Improvements are not completed when transferred to the Association, Declarant shall provide a bond or letter of credit (or other assurance as the Association and the Government Mortgage Agencies may reasonably require) to assure that the cost thereof will be paid by Declarant and the Improvements completed free of liens relating to the construction thereof.

6.14 Declarant's Rights to Use Common Elements in Promotion and Marketing of Association Area. During the Declarant's Rights Period, Declarant shall have and hereby reserves the right to the reasonable use of Common Elements (including any community amenity located thereon), Sites owned by Declarant or a Principal Builder and of services offered by the Association in connection with the promotion and marketing of property within the boundaries of the Association Area. Without limiting the generality of the foregoing, Declarant may erect, maintain and relocate within and upon any part of the Common Elements (including any community amenity located thereon) and Sites owned by Declarant or a Principal Builder as many signs, temporary buildings and other structures, including without limitation, model homes, offices for construction, sales or leasing purposes or similar facilities, as Declarant may reasonably deem necessary or proper in connection with the promotion, development and marketing of real property within the Association Area, the number, location and size of which shall only be subject to applicable state or local laws; may use vehicles and equipment on Common Elements and Sites owned by Declarant or a Principal Builder for promotional purposes; and may permit prospective Purchasers, who are not Owners, to use Common Elements at reasonable times and in reasonable numbers; and may refer to the Association and to the Common Elements any services offered by the Association in connection with the development, promotion and marketing of property within the boundaries of the Association Area.

6.15 Declarant's Rights to Complete Development of Association Area. No provision of this Master Declaration shall be construed to prevent or limit the rights of Declarant to complete development of property within the boundaries of the Association Area; to construct or alter Improvements on any property owned by Declarant within the Association Area; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any

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property owned by Declarant or owned or maintained by the Association within the Association Area; or to post signs incidental to development, construction, promotion, marketing, sales or leasing of property within the boundaries of the Association Area. Nothing contained in this Master Declaration shall limit the right of Declarant or require Declarant to obtain approvals (a) to excavate, cut, fill or grade any property owned by Declarant or to construct, alter, demolish or replace any Improvements on any property owned by Declarant, or (b) to use any structure on any property owned by Declarant or the Association as a construction, model home or real estate sales or leasing office in connection with the sale of any property within the boundaries of the Association Area, or (c) to require Declarant to seek or obtain the approval of the Design Review Committee or of the Association for any such activity or Improvement to Property by Declarant on any property owned by Declarant. Nothing in this Master Declaration shall limit or impair the Special Declarant Rights of Declarant as elsewhere provided in this Master Declaration.

6.16 Declarant's Rights to Grant, Create and Use Easements. Declarant shall have and hereby reserves the right to grant, create and use temporary or permanent easements in, on, under, over and across any Site and any Common Elements for the benefit of any other portion of the Association Area, whether or not such benefitted portion is or will become Association Area, for access, utilities, drainage, water and any other purposes incidental to development and sale of the Association Area or incident to the exercise by Declarant of any of its Special Declarant Rights.

6.17 Declarant's Rights to Convey Additional Property to Association. Declarant shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and Improvements thereon to the Association at any time and from time to time in accordance with this Master Declaration.

6.18 Limitations Imposed by Government Mortgage Agencies. The exercise of the Special Declarant Rights shall be subject to such reasonable requirements and limitations as may be imposed by Government Mortgage Agencies or other governmental authorities having jurisdiction, including any requirements for consent, approval or modifications of this Master Declaration, the Articles of Incorporation or the Bylaws by such Government Mortgage Agencies or governmental authorities.

ARTICLE 7  
ASSESSMENTS, BUDGETS AND FUNDS

7.1 Funds to be Established. The Association shall establish for administering the Association and maintaining the Common Elements a single fund or series of separate funds, as the Association may determine from time to time. The Association may establish other funds as and when needed; for example, a fund for receipts and disbursements relating to services provided by the Association for a Subassociation, or a fund for receipts and disbursements relating to services provided by the Association for a particular Limited Common Element. Nothing herein shall limit, preclude or impair the authority of the Association to establish other funds for specified purposes authorized by this Master Declaration or by any Amended Declaration. If the





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allocated to that Site. If the Owner is to be obligated to pay an Assessment with respect to any Limited Common Element, Exhibit D of this Master Declaration, or the Amended Declaration covering the Site shall: (a) identify the Limited Common Element, if existing, or describe the same in general terms, if proposed; (b) identify the Sites covered by this Master Declaration or the Amended Declaration which are entitled to use and which shall be obligated to pay Assessments with respect to such Limited Common Element; and (c) specify the number of units which shall be allocated to each such Site. Units of Limited Common Element Assessments shall be allocated in this Master Declaration or an Amended Declaration in accordance with the following provisions. If a Site and an Owner is to be charged with an Assessment for a particular Limited Common Element, the amount of the Assessment for any year payable by such Owner for the Site shall be computed by multiplying the total amount to be raised by the Association for administering, maintaining, repairing or replacing the Limited Common Element for that year, as shown in the Association Budget for that year, by a percentage (rounded to the nearest one-tenth of one percent (0.1%) derived from a fraction, the numerator of which is the number of units assigned to that Site and the denominator of which is the total number of units allocated to Sites entitled to use the pertinent Limited Common Element.

7.7 Funding of Reserve Funds. The Board, in budgeting and levying assessments, shall endeavor, whenever possible, to fund reserves for any or all of its functions, by regularly scheduled payments, included as part of the Common Assessments, rather than by large Special Assessments. Unless the Board finds and determines that it is not necessary, as to a particular reserve fund in a given year, the Common Assessments shall include a component for funding of these reserve funds. Amounts in these reserve funds may be used in the discretion of the Board of Directors, from time to time, for any purpose for which a Common Assessment or Special Assessment may be used. Declarant shall not have any liability for any shortage in Reserves occurring at the time of expiration of the Period of Declarant Control.

7.8 Supplemental Common Assessments. If the estimated sums for any particular fund prove inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, from time to time, levy a supplemental Common Assessment for any of such funds. Such supplemental Common Assessment shall be assessed against the Owner of each Site, in the same manner Common Assessments are originally assessed each year by the Board with respect to the particular fund. Written notice of any change in the amount of any annual Common Assessment shall be sent to every Owner subject thereto, not less than thirty (30) days prior to the effective date of such change.

7.9 Annual Budgets. The Board of Directors shall cause to be prepared prior to the commencement of each calendar year, a Budget for such calendar year, including a reasonable provision for contingencies and deposits into reserve funds. The Budget may show, in reasonable detail, the categories of expenses and the amount of expenses in each fund, and shall reflect any expected income of the Association for the coming calendar year and any expected surplus from the prior year and any existing surplus in any fund. The Budget may include an amount for contingencies and amounts deemed necessary or desirable for deposits to create, replenish or add

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to the proper reserve fund for major capital repairs, replacements and improvements for Common Elements. Copies of the Budget shall be made available by the Association to any Member requesting a copy of the same. Within thirty (30) days after adoption of any proposed Budget for the Association, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Association Budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the Budget not less than fourteen (14) days nor more than sixty (60) days after mailing or other delivery of the summary. A copy of the Budget shall be posted at the Association office. In the event the Association does not have the address for any Owner, such posting shall be deemed delivered to such Owner. Unless at that meeting the Budget is rejected by the vote or agreement of Owners of Sites to which at least sixty-seven percent (67%) of the votes in the Association are allocated, then the Budget is ratified, whether or not a quorum is present. In the event that the proposed Budget is rejected, the periodic Budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent Budget proposed by the Board of Directors.

7.10 No Disbursements to Abate Adjoining Nuisances. Nothing in this Master Declaration shall be construed so as to permit the Association to use any Assessments to abate any annoyance or nuisance emanating from outside the physical boundaries of the Association Area.

7.11 Commencement of Common Assessments. Common Assessments shall commence as to all Sites within a Tract, or a portion thereof, for which a final subdivision plat as to that particular filing has been recorded, on the first day of the first month following the date such Sites are "finished". Such Sites shall be deemed "finished" Sites on that date (i) when the City of Broomfield, Colorado, issues written construction acceptance of those subdivision improvements which have been constructed and installed as required by the City to serve the Sites within a Tract, or portion thereof, or (ii) when such subdivision improvements or provision therefor are sufficient to permit an Owner to obtain the issuance of a building permit for the construction of a residence on a Site within a Tract, or portion thereof. The Common Assessments for the then current year shall be prorated within the Association Area on the basis of the number of months in such calendar year remaining from the date of commencement of such Common Assessments to the end of such calendar year.

7.12 Payment of Assessment. Common Assessments shall be due and payable in advance to the Association by the assessed Owner during the calendar year in four (4) quarterly installments, on or before January 1, April 1, July 1, and October 1 of each calendar year, or in such other manner and on such other dates as the Board of Directors may designate in its sole and absolute discretion. Notice of the amount of the Common Assessments shall be given to each Owner prior to January 1 of each year.

7.13 Failure to Fix Assessment. The failure by the Board of Directors to levy an Assessment for any year shall not be deemed a waiver or modification with respect to any of the provisions of this Master Declaration or a release of the liability of any Owner to pay the Assessment, or any installment thereof, for that or any subsequent year. No reduction or offset

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of the Common Assessment or any other Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or Improvements to Common Elements, from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

7.14 Special Assessment for Capital Expenditures. In addition to Common Assessments, the Board of Directors may, subject to the provisions hereof, levy Special Assessments for the purpose of raising funds, not otherwise provided under the Budget for Common Assessments, to construct or reconstruct, repair or replace capital Improvements upon Common Elements or Sites owned by the Association, including necessary personal property related thereto; to add to the Common Elements; to provide for necessary facilities and equipment to offer the services authorized in this Master Declaration; or to repay any loan made to the Association to enable it to perform the duties and functions authorized in this Master Declaration. The Board of Directors shall not levy Special Assessments without the vote of at least sixty-seven percent (67%) of the Owners entitled to vote, who are subject to the Special Assessment. Special Assessments for capital Improvements relating to a Limited Common Element shall be levied solely against the group of Owners who own Sites entitled to use the Limited Common Element, and such Special Assessments shall be levied solely on the basis of, and in proportion to, the units of Limited Common Element Assessments allocated to such Sites. The Association shall notify Owners in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable, and the Owners shall pay any such Special Assessment in the manner so specified. A quorum for purposes of voting upon the foregoing shall be the presence at the beginning of the meeting, in person or by proxy, of Members entitled to cast at least sixty percent (60%) of the votes of the Members who are subject to the Special Assessment or of the Association, whichever is less. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If the required quorum is not present in person or by proxy at the beginning of any such meeting of Members, another meeting may be called for purposes of voting upon the foregoing, subject to the notice requirements hereinabove specified. The presence, in person or by proxy, of Members entitled to cast at least thirty percent (30%) of the votes (i) of the Members who are subject to the Special Assessment, or (ii) which may be cast for the election of the Board, whichever is less, shall constitute a quorum at such subsequent meeting.

7.15 Reimbursement Assessments. The Board of Directors may, subject to the provisions hereof, levy an Assessment against any owner if the willful or negligent failure of the Owner or a Related User to comply with this Master Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations shall have resulted in the expenditure of funds by the Association to cause such compliance. Such Assessment shall be known as a Reimbursement Assessment and shall be levied only after Notice and Hearing. The amount of the Reimbursement Assessment shall be due and payable to the Association thirty (30) days after notice to the Owner of the decision of the Board of Directors that the Assessment is owing.



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7.16 Late Charges, Interest and Fines. If any Common Assessment, Special Assessment or Reimbursement Assessment or any installment thereof is not paid within fifteen (15) days after it is due, the Owner obligated to pay the Assessment may be required to pay a reasonable late charge to be determined by the Board. Any Assessment or installment of an Assessment which is not paid within thirty (30) days after the date of any Notice of Default given under Section 7.17 shall be charged interest from the date such Assessment became due at eighteen percent (18%) per annum simple interest or such other rate as may be established by the Board from time to time. Following Notice and Hearing, the Owner obligated to pay the Assessment may be required to pay a reasonable fine to be imposed by the Board, and any costs, including reasonable attorneys' fees, incurred by the Association in connection therewith.

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

7.18 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner or Owner against whom the same is assessed. In the event of a default in payment of any Assessment or installment thereof, the Board may, in addition to any other remedies provided under this Master Declaration or by law, enforce such obligation on behalf of the Association by suit or by filing and foreclosure of a lien as hereinafter provided.

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

7.20 Lien to Enforce Assessments. Pursuant to and in accordance with the Act, the Association shall have a statutory lien on a Site for any Assessment, or installment thereof, from

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the time that the Assessment, or installment thereof, becomes due. All fees, interest, charges, fines, cost of collection, attorney's fees and interest outstanding for time to time shall be included in such lien. Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessments is required. However, the Board of Directors or managing agent of the Association may prepare, and record in the county in which the applicable Site is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Site. If a lien is filed, the costs and expenses thereof shall be added to the assessment for the Site against which it is filed and collected as part and parcel thereof. The Recording of a notice of lien shall not be a condition precedent to nor delay the attachment of a lien which shall attach as of the first day of any period for which any Assessment is levied. The Association's lien may be foreclosed in like manner as a mortgage on real estate. The Association shall have the power to bid at the foreclosure sale and to acquire and hold, lease, mortgage and convey the Site. In accordance with the Act, the Association's lien shall constitute a lien on such Site superior to all other liens and encumbrances, except: (a) liens for real estate taxes and other governmental assessments or charges against a Site; (b) liens and encumbrances recorded prior to recordation of this Master Declaration; and (c) all sums unpaid under a Mortgage encumbering a Site ("First Mortgage") that has first priority over any other Mortgage encumbering such Site to the extent the Assessments became delinquent after the First Mortgage is recorded. A lien under this Section is also prior to a First Mortgage to the extent of an amount equal to the annual assessments based on a periodic budget adopted by the Association as provided above, which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this Section of an action or nonjudicial foreclosure either to enforce or extinguish the lien. Unless this Master Declaration provides otherwise, if two or more associations have liens for assessments created at any time on the same Site, those liens shall have equal priority. This Section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the Association. A lien under this Article is not subject to the provisions of part 2 of Article 41 of Title 38, C.R.S. 1973, as amended, or to the provisions of Section 15-11-201, C.R.S. 1973, as amended. Notwithstanding anything herein to the contrary or anything in the Act to the contrary, if federal law applies, no liens for assessments shall be prior to the lien of a mortgage insured or guaranteed by the FHA, VA or other Government Mortgage Agency.

7.21 Statement of Assessments. The Association shall, upon written request of any Owner, Mortgagee or Person with, or intending to acquire, any right, title or interest in a Site, furnish a certificate in writing signed by an officer or agent of the Association setting forth the amount of the unpaid Assessments, if any, with respect to said Site, the amount of the current annual Assessments for said Site, the date that such annual Assessments become due and any credit for advance payments. A reasonable fee may be charged by the Board for the issuance of these certificates. Within fourteen (14) days from the receipt of such request and accompanying fee, the Association shall deliver such certificate. Such certificate shall, with respect to the Owner, Mortgagee or Person to whom it is issued, be conclusive against the Association, the Board and all other Owners for all purposes, that no greater or other amounts were then due or accrued and

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unpaid and that no other Assessments have been levied. If, within such fourteen (14) day period, no such certificate is furnished to the inquiring party, either personally or by mail, the Association shall have no right to assert a lien upon the Site for unpaid Assessments which were due at the date of the inquiry.

7.22 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Master Declaration.

7.23 Exemptions from Assessments. The following portions of the Association Area shall be exempt from the Assessments, charges, and liens created under this Master Declaration and under any Subassociation Declaration:

- (a) any property owned by a public body;
- (b) any Common Element;
- (c) all utility lines and easements;
- (d) any Site owned by the Association;
- (e) any real property owned by the Metropolitan Districts within the Association Area.

7.24 Real Estate Transfer Fee. There may be a transfer fee imposed by the Association from time to time in connection with the sale, long-term lease or other conveyance of any Site other than the first time transfer of a Site from Declarant to a Dealer, a Principal Builder or a Purchaser, either of which is not affiliated with Declarant.

## ARTICLE 8 GENERAL RESTRICTIONS APPLICABLE TO PROPERTY

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

8.1 Maintenance of Property. No property within the Association Area shall be permitted to fall into disrepair, and all property within the Association Area, including any Improvements and landscaping thereon, shall be kept and maintained in a clean, safe, attractive and sightly condition and in good repair. Maintenance, repair and upkeep of each Site shall be the responsibility of the Owner of the Site. Maintenance, repair and upkeep of General Common Elements (and any Limited Common Element for which the Association has assumed responsibility

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in accordance with Section 4.23 hereof) shall be the responsibility of the Association. Maintenance, repair and upkeep of Limited Common Elements (the responsibility for which has not been assumed by the Association) shall be the responsibility of the Owners entitled to use such Limited Common Elements. Additionally, and without limiting the generality of the foregoing, each Dealer, Principal Builder or Purchaser that intends to develop the property it purchases within the Association Area into residential units agrees to obtain and maintain any and all required permits, licenses and approvals from any governmental authority having jurisdiction concerning stormwater runoff, sediment or erosion control, storm drainage, or any other water or sediment discharge ("Stormwater Permit") which relate to the subject property, and, with respect to such property, to comply with any and all requirements, conditions, restrictions or other terms contained in any such Stormwater Permit, including, but not limited to, treatment requirements and discharge limitations. Moreover, for any Stormwater Permit obtained by Declarant which covers all of such property within the Association Area, Declarant shall have the option to require such Dealer, Principal Builder or Purchaser to accept a transfer of such Stormwater Permit. Each such Dealer, Principal Builder or Purchaser further agrees to indemnify, hold harmless and defend Declarant from any claim, liability, loss, or damage asserted against Declarant by reason of any failure of such Dealer, Principal Builder or Purchaser to obtain, maintain or comply with, or fulfill its obligations under, any Stormwater Permit required hereunder. Violation of this provision by a Dealer, Principal Builder or Purchaser shall permit the Association, after Notice and Hearing, to enter on the property of such Dealer, Principal Builder or Purchaser and cure the violation or cause compliance with this provision and to levy and collect a Reimbursement Assessment for the costs and expenses of the Association in so doing; provided, however, that there shall be no entry into the interior of an improvement intended for human occupancy without the consent of the Owner thereof unless a clear emergency exists.

8.2 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Association Area nor shall anything be done or placed thereon which is or may become a nuisance or cause an unreasonable embarrassment, disturbance or annoyance to others.

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

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

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8.5 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within a structure, including snow removal equipment and garden or maintenance equipment, except when in actual use.

8.6 Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub or tree clippings, plant waste, recycling materials, compost, metal, bulk materials, scrap, refuse or debris of any kind shall be kept, stored or allowed to accumulate on any Site except within an enclosed structure or appropriately screened from view, except that any container containing such materials may be placed outside at such times as may be necessary to permit garbage, trash or recycling pickup.

8.7 No Temporary Structures. Except as permitted to be maintained by Declarant pursuant to Sections 6.14 and 6.15 hereof, no tent, shack, utility building, temporary structure or temporary building shall be placed upon any property within the Association Area except with the prior written consent of the Design Review Committee obtained in each instance.

8.8 Restriction on Antennae, Pipes and Utility Lines. Pipes for water, gas, sewer, drainage or other purposes and wires, poles, antennae and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antennae of any type shall be erected or maintained in the Association Area. With the approval of the Design Review Committee, a master antenna or cable television antenna or antennae may, but need not, be provided for use of all Owners or a group of Owners, and Declarant may grant easements for such purposes. Notwithstanding the foregoing, neither the restrictions nor the requirements of this Section shall apply to those antenna (which may include some satellite dishes and other devices) that are specifically covered by the Telecommunications Act of 1996, as amended from time to time. As to antenna which are specifically covered by the Telecommunications Act of 1996, as amended, the Association shall be empowered to adopt rules and regulations governing the types of antenna that are permissible hereunder, and to the extent permitted by the Telecommunications Act of 1996, as amended, establishing reasonable, non-discriminatory restrictions relating to appearance, safety, location and maintenance.

8.9 Restrictions on Signs and Advertising Devices. Except as permitted to be maintained by Declarant pursuant to Sections 6.14 and 6.15 hereof and except as set forth herein, no sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the Association Area so as to be evident to public view, except signs as may be approved in writing by the Design Review Committee. A sign advertising a Site for sale or for lease may be placed on such Site; provided, however, that standards relating to dimensions, color, style and location of such sign shall be in accordance with Design Guidelines or as otherwise determined from time to time by the Design Review Committee.

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8.10 Restrictions on Mining or Drilling. Except for oil or gas wells currently existing under lawful permits, no property within the Association Area shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, except drilling, exploring for or removing underground water by Declarant or any Person designated by Declarant for the purpose of providing water service to property within the boundaries of the Association Area.

8.11 Maintenance of Drainage. There shall be no interference with the established drainage pattern over any property within the Association Area except as approved in writing by the Design Review Committee. Approval shall not be granted unless provision is made for adequate alternate drainage. The "established drainage pattern" shall mean the drainage pattern which exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Design Review Committee. The established drainage pattern may include the drainage pattern from Common Elements over any Site, from any Site over the Common Elements, or from any Site over another Site.

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

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

8.14 Restrictions on Sewage Disposal Systems. No sanitary line, cesspool, septic tank or other sewage disposal system shall be installed within the Association Area without the prior written consent of the Design Review Committee, except a central sewage disposal system providing sewage disposal services to a significant portion of the Association Area. Any sewage disposal system installed for property within the Association Area shall be subject to applicable laws, rules and regulations of any governmental authority having jurisdiction.

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

8.16 Restoration in the Event of Damage or Destruction. In the event of damage or destruction of any Improvement on any Site, the Owner thereof shall cause the damaged or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Committee, or the Owner shall cause the

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damaged or destroyed Improvement to be demolished and the Site to be suitably landscaped, subject to the approval of the Design Review Committee, so as to present a pleasing and attractive appearance.

8.17 Weeds. All yards and open spaces and the entire area of every Site on which no building has been constructed shall be kept mowed to a maximum height of six (6) inches. In addition, each Site shall be kept free from brush or other growth or trash which, in the reasonable opinion of the Design Review committee, is unsightly or causes undue danger of fire.

8.18 Animals. No animals of any kind shall be raised, bred or kept in the Association Area except as hereinafter provided. A reasonable number of dogs, cats or other household pets may be kept on a Site, provided that (a) they are not kept, bred or maintained for any commercial purposes, (b) they do not make objectionable noises or otherwise constitute an unreasonable nuisance to other Owners, (c) they are kept within an enclosed yard of a Site or, if outdoors, on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any other provision of this Master Declaration or such limitations as may be set forth in the Rules and Regulations of the Association. Dog runs shall not be permitted upon a Site. A "reasonable number" as used in this section shall ordinarily mean no more than two (2) pets per Site; provided, however, that the Board of Directors of the Association may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Association, acting through the Board, shall have the right to prohibit maintenance of any animal which, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions. Each Owner and any Related User maintaining any animal, shall be liable in accordance with Colorado law to the Association, and to each and all remaining Owners and Related Users of such Owners, for any damage to person or property caused by any such Owner or Related User failing to clean up after such animals to the extent they have used any portion of the Site of another Owner or any Common Elements.

8.19 Further Subdivision of Sites. Following any resubdivision caused by Declarant or any Dealer in compliance with all of the provisions of this Master Declaration, no Site or residence thereon in the Association Area may be further subdivided, nor may any easement or other interest therein less than the whole (including any time-share estate) be conveyed by the Owner thereof (including the Association, but excluding Declarant) without the prior written approval of the Design Review Committee and Declarant. Nothing in this section shall be deemed to prevent an Owner from, or require the approval of the Design Review Committee or Declarant for (a) selling or leasing of a Site, or (b) transferring or selling any Site to more than one Person to be held by them as tenants in common, joint tenants or tenants by the entirety; provided, however, that any lease or rental agreement must be in writing and be subject to the requirements of this Master Declaration, the Articles of Incorporation, the Bylaws, the Design Guidelines, the Rules and Regulations and be subject to any other requirements of the Association.

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

8.21 Vehicle Repairs. No maintenance, servicing, repair, dismantling, or repainting of any type of vehicle, boat, machine, or device may be conducted upon a Site, except within a structure which screens the sight and sound of the activity from the street and from other Sites.

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

8.23 Storage and Parking of Vehicles. No recreation vehicle, camper, campers not on a truck, boat, mobile home, horse trailer or other trailer, tractor, motor home or truck (other than a pickup truck) shall be stored or shall be parked anywhere within the Association Area or on any public or private road or street unless such parking or storage is within a garage or other location concealed from view which location is first approved by the Design Review Committee under this Master Declaration or within a parking area designated by the Association for storage and parking such vehicles, except that any such vehicle may be otherwise parked as a temporary expedient for loading, delivery, or emergency. This restriction, however, shall not restrict trucks or other commercial vehicles which are necessary for the construction or for the maintenance of the Sites, Common Elements, other property or any improvements. No inoperable vehicle shall be repaired, constructed or allowed to remain on any portion of the Association Area or on any private or public street or road in such a manner as to be visible from any portion of the Association Area. No vehicle, including, but not limited to, motorcycles, motorbikes, snowmobiles, golf carts, bicycles, automobiles, trucks and trailers may be kept or used anywhere within the Association Area in violation of any applicable Rules and Regulations of the Association. Such Rules and Regulations, among other things, may prohibit the keeping or use of motorcycles, motorbikes, snowmobiles or other loud or offensive vehicles, or may limit their use, and may regulate places of parking of such vehicles.

8.24 Fence Restrictions. No fences shall be constructed along or adjacent to the boundary or lot line of any Site without the prior approval of the Design Review Committee, unless in conformance with standard design specifications previously approved by the Design Review Committee or as may be provided in the Design Guidelines. Privacy fences, security fences, and fences for screening purposes must also be approved by the Design Review Committee unless in conformance with standard design specifications previously approved by the Design Review Committee or as may be provided in the Design Guidelines.

8.25 Air Conditioning, Heating Equipment and Solar Energy Installations. No heating, air conditioning, air movement (e.g., swamp coolers) or refrigeration equipment shall be placed, allowed, or maintained anywhere other than on the ground. The Design Review



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committee shall approve the plans and specifications for the installation of residential solar systems, provided that the Design Review Committee determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the Association Area. Any such Design Review Committee approval shall have no effect upon the enforceability of any other use restriction in this Master Declaration. The Design Review Committee may promulgate reasonable standards and guidelines against which to examine any such plans and specifications, in accordance with Article 9 hereof.

8.26 No Hanging Articles. No clothing or household fabrics or other articles shall be hung, dried or aired on any Site or Common Area in such a way as to be visible from other Sites or from the Association Area except to the extent otherwise provided in the Design Guidelines.

8.27 Solar Obstructions. No vegetation or other Improvements (except for Improvements constructed upon a Site by Declarant or other Improvements that have received the prior approval of the Design Review Committee) shall be planted, constructed or maintained upon any Site in the Association Area in such location or of such height as to unreasonably obstruct the operation of any previously existing solar energy installation. In the event of a dispute between Owners in the Association Area as to the obstruction of operation of a solar energy installation, such dispute shall be resolved in accordance with the provisions for Notice and Hearing contained in the Bylaws of the Association. Any such obstruction shall, upon request of the Board of Directors of the Association, be removed or otherwise altered to the satisfaction of the Board of Directors by the Owner of the Site upon which said obstruction is located.

8.28 Restriction on Exterior Lighting. Except for lighting to accent landscaping features, lights at entrance doors to structures, lights at entrances to property, lights along paths or driveways, lights to illuminate permitted signs, and lighting including security lighting as may be approved in writing by the Design Review Committee under Article 9 or in the Design Guidelines, no exterior lighting shall be permitted anywhere within the Association Area, including lighting for tennis courts or for soccer/baseball fields. Any permitted exterior lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Design Review Committee or in the Design Guidelines.

8.29 Casualty Insurance for Improvements. Each Owner within the Association Area shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable Improvements on the Site for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if available and if deemed appropriate by the Association as evidenced by a resolution of the Board of Directors, including flood risk. In the event of damage or destruction to any insured Improvements, the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damage or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Committee,

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or to cause the damaged or destroyed Improvement to be demolished and the Site to be suitably landscaped so as to present a pleasing and attractive appearance.

8.30 Construction Activities. Normal construction activities carried out in the regular course of business by the Declarant or a Principal Builder within the Association Area shall not be deemed a violation of any of the provisions of this Article 8.

ARTICLE 9  
ARCHITECTURAL APPROVAL

9.1 Approval of Improvements Required. The approval of the Design Review Committee shall be required for any Improvement to Property on any Site, except (a) for any Improvement to Property made by Declarant or by a builder which is designated a Principal Builder by Declarant and who has received written approval for such Improvement to Property from the Declarant, or (b) for any Improvement to Property which may be exempted in writing or under the Design Guidelines, because approval in such case is not reasonably required to carry out the purposes of this Master Declaration.

9.2 Improvement to Property Defined. "Improvement to Property," requiring approval of the Design Review Committee, shall mean and include, without limitation: (a) the construction, installation, erection or expansion of any building, structure or other Improvement, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure or other Improvement; (c) the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; (d) landscaping, planting, clearing or removing of trees, shrubs, grass or plants; and (e) any change or alteration of any previously approved Improvement to Property, including any change of exterior appearance, color or texture.

9.3 Membership of Committee. The Design Review Committee shall initially consist of three (3) members, all of whom shall be appointed by Declarant. Declarant shall have the continuing right to appoint three (3) members during the Appointment Period (as hereinafter defined) of the Association Area. The Association shall have the right to appoint all of such members after the expiration of the Appointment Period. The "Appointment Period" shall mean the period of time commencing as of the date of Recordation of this Master Declaration and continuing until the earliest to occur of the following events: (a) the date which is twenty-five (25) years after Recordation of this Master Declaration; (b) when all Sites within the Association Area have been conveyed to Purchasers and certificates of occupancy have been issued for the residences constructed thereon; or (c) at such time as Declarant, in its sole and absolute discretion, relinquishes such right.

Members of the Design Review Committee may, but shall not necessarily be Owners. Members of the Design Review Committee appointed by Declarant may be removed at any time by Declarant and shall serve until resignation or removal by Declarant. During the

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Appointment Period, Declarant shall give written notice to the Association of the appointment or removal of any member of the Committee. After the Appointment Period, the Association may at any time, and from time to time, change the authorized number of members of the Design Review Committee, but the number of members shall always be an odd number and shall not be less than three (3). After the Appointment Period, members of the Design Review Committee shall be appointed and removed in the manner set forth in the Bylaws.

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

9.5 Required Approval by any Subassociation Design Review Committee. No approval of the initial Improvements to Property constructed upon a Site which includes the initial residential dwelling unit thereon shall be required by any Subassociation design review committee. For Improvements to Property which are constructed upon a Site subsequent to the construction of the initial residential dwelling unit thereon, approval may also be required by the Design Review Committee of any Subassociation. The Association may delegate the review and approval of Improvements to Property required under this Article 9 to any Subassociation design review committee. Any such delegation shall be limited to Sites within such Subassociation Area and shall be only for Improvements to Property which are constructed upon a Site subsequent to the construction of the initial residential building thereon and the issuance of a certificate of occupancy for such initial construction. In the event of any such Design Review delegation, any procedure used, and any decision rendered concerning an Improvement to Property, by a Subassociation design review committee pursuant to the Subassociation's Declaration, Articles, Bylaws or design guidelines, if any, shall be deemed to satisfy the requirements of this Article 9.

9.6 Submission of Plans. Prior to commencement of work to accomplish any proposed Improvement to Property, the Person proposing to make such Improvement to Property (the "Applicant") shall submit to the Design Review Committee at its offices such descriptions, surveys, architectural drawings, landscape drawings, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the Design Review Committee shall reasonably request showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property. The Applicant shall be entitled to receive a receipt for the same from the Design Review Committee or its authorized agent. The Design Review Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement to Property. Until receipt by the Design Review Committee of all required materials in connection with the proposed Improvement to Property, the Design Review Committee may postpone review of any materials submitted for approval.

9.7 Criteria for Approval. The Design Review Committee shall approve any proposed Improvement to Property only if it deems in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Association Area as a whole; that the appearance of the proposed



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9.12 Failure of Committee to Act on Plans. Any request for approval of a proposed Improvement to Property shall be deemed approved, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within thirty (30) days after the date of receipt by the Design Review Committee of all required materials.

9.13 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement to Property, any materials submitted to the Design Review Committee in connection with the proposed Improvement to Property and any conditions imposed by the Design Review Committee; provided that within ninety (90) days after the approval of the proposed Improvements to Property, or within such longer period as may be approved in writing by the Design Review Committee, the Applicant shall complete the installation of any landscaping and gardening approved in conjunction with the approval of the proposed Improvements to Property. Failure to complete the proposed Improvement to Property within one (1) year after the date of approval, or within such longer period as may be approved in writing by the Design Review Committee, or to complete the Improvement to Property in accordance with the description and materials furnished to, and the conditions imposed by, the Design Review Committee, shall constitute noncompliance with the requirements for approval of Improvements to Property.

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

9.15 Inspection of Work. The Design Review Committee or its duly authorized representative shall have the right, to inspect any Improvement to Property prior to or after completion, provided that the right of inspection shall terminate sixty (60) days after the Design Review Committee shall have received a Notice of Completion from the Applicant.

9.16 Notice of Noncompliance. If, as a result of an inspection or otherwise, the Design Review Committee finds that any improvement to Property (a) has been done without obtaining the approval of the Design Review Committee, (b) was not done in substantial compliance with the description and materials furnished to, and any conditions imposed by, the Design Review Committee, or (c) was not completed within one (1) year after the date of approval by the Design Review Committee, or within such longer period as may have been approved in writing by the Design Review Committee, the Design Review Committee shall notify the Applicant in writing of the noncompliance; which notice shall be given, in any event, within sixty (60) days after the Design Review Committee receives a Notice of Completion from the Applicant. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

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9.17 Failure of Committee to Act After Completion. If, for any reason other than the Applicant's act or neglect, the Design Review Committee fails to notify the Applicant of any noncompliance within sixty (60) days after receipt by the Design Review Committee of written Notice of Completion from the Applicant, the Improvement to Property shall be deemed in compliance if the Improvement to Property was, in fact, completed as of the date of Notice of Completion.

9.18 Appeal to Association Board of Finding of Noncompliance. If the Design Review Committee gives any notice of noncompliance, the Applicant may appeal to the Board of Directors by giving written notice of such appeal to the Board and the Design Review Committee within twenty (20) days after receipt of the notice of noncompliance by the Applicant. If, after a notice of noncompliance, the Applicant fails to commence diligently to remedy such noncompliance, the Design Review Committee shall request a finding of noncompliance by the Board of Directors by giving written notice of such request to the Association and the Applicant within thirty (30) days after delivery to the Applicant of a notice of noncompliance from the Design Review Committee. In either event, the Board of Directors or a tribunal appointed by the Board pursuant to the Bylaws shall hear the matter in accordance with the provisions of the Bylaws for Notice and Hearing, and the Board shall decide whether or not there has been such noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same.

9.19 Correction of Noncompliance. If the Board of Directors determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of receipt by the Applicant of the ruling of the Board of Directors. If the Applicant does not comply with the Board ruling within such period, the Board may, at its option, record a notice of noncompliance against the real property on which the noncompliance exists, may enter upon such property and remove the noncomplying Improvement to Property, or may otherwise remedy the noncompliance, and the Applicant shall reimburse the Association, upon demand, for all expenses incurred therewith. If such expenses are not promptly repaid by the Applicant or owner of an affected Site to the Association, the Board may levy a Reimbursement Assessment against the affected Owner of such Site for such costs and expenses. The right of the Association to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Association may have at law, in equity, or under this Master Declaration. Neither the Applicant nor the affected Owner of such Site shall have a claim for damages or otherwise on account of the Association's entry upon the real property and removal of the noncomplying Improvement to Property.

9.20 No Implied Waiver or Estoppel. No action or failure to act by the Design Review Committee or by the Board of Directors shall constitute a waiver or estoppel with respect to future action by the Design Review Committee or the Board of Directors with respect to any Improvement to Property. Specifically, the approval by the Design Review Committee of any Improvement to Property shall not be deemed a waiver of any right or an estoppel to withhold

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approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications or other materials submitted with respect to any other Improvement to Property.

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

9.22 Compensation of Members. Members of the Design Review Committee may receive compensation for services rendered including reimbursement of out of pocket expenses incurred by them in the performance of their duties hereunder. Such compensation shall be determined by the Board of Directors from time to time, and shall be a Common Assessment of the Association.

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

9.24 Records of Actions. The Design Review Committee shall report in writing to the Board of Directors all final actions of the Design Review Committee and the Design Review Committee shall keep a permanent record of such reported actions.

9.25 Estoppel Certificates. The Board of Directors shall, upon the reasonable request of any interested party and after confirming any necessary facts with the Design Review

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Committee, furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any Person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

9.26 Nonliability for Committee Action. There shall be no liability imposed on the Design Review Committee, any member of the Committee, any Committee Representative, the Association, any member of the Board of Directors, or Declarant for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Design Review Committee unless due to the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Design Review Committee shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations.

9.27 Construction Period Exception. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Design Review Committee shall temporarily suspend the provisions contained in this Master Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction; provided that, during the course of any such construction, nothing is done which will (1) result in a violation of any of the provisions of this Master Declaration upon completion of construction, (2) not be in compliance with the descriptions and materials furnished to, or any conditions imposed by, the Design Review committees or (3) constitute a nuisance or unreasonable interference with the use and enjoyment of other property in the Association Area.

ARTICLE 10  
MISCELLANEOUS

10.1 Term of Declaration. Unless amended as herein provided, all other provisions, covenants, conditions, restrictions and equitable servitudes contained in this Master Declaration shall be effective until December 31, 2023, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by the vote, by written ballot, of Members holding at least ninety-five percent (95%) of the votes of the Association, and the vote of at least ninety-five percent (95%) of the Eligible First Mortgagees (based upon one vote for each Mortgage owned) of Sites in the Association. The termination of this Master Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association stating that this Master Declaration has been terminated by the vote of Members as provided herein.

10.2 Amendment of Master Declaration by Declarant. Until Recordation of a deed conveying the first Site subject to this Master Declaration to a Purchaser by Declarant, by a Principal Builder or by a Dealer, any of the provisions, covenants, conditions, restrictions and



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equitable servitudes contained in this Master Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Within the Declarant's Rights Period, Declarant's exercise of any of its Development Rights hereunder may be exercised by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such exercised Development Rights. Further, any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration, the Articles of Incorporation or the Bylaws which any Government Mortgage Agency requires to be amended or repealed may be amended or repealed solely by Declarant, and no approval, consent or vote of any other person or entity shall be required. Any such amendment or repeal shall be effective upon Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been requested or approved by Declarant as herein provided.

10.3 Amendment of Master Declaration by Association. Upon any of the events described in this Master Declaration requiring the amendment by the Association of this Master Declaration, the Association shall amend this Master Declaration accordingly. The Amended Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association. Notwithstanding anything to the contrary herein contained, any amendment to this Declaration made during the Declarant's Rights Period affecting any Special Declarant Right or any Development Right that Declarant may exercise during such period, or any amendment to this Declaration made during the Declarant's Control Period affecting a right that Declarant may exercise during such period, or an obligation of Declarant must in each case be approved in writing by Declarant prior to becoming effective.

10.4 Amendment of Master Declaration by Members. Except as otherwise provided in this Master Declaration, and subject to provisions elsewhere contained in this Master Declaration requiring the consent of Eligible First Mortgagees, any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration (except as otherwise provided below) may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by Members holding at least seventy-five percent (75%) of the votes of the Association. Any Section of this Master Declaration pertaining solely to the rights and obligations of Owners entitled to use a particular Limited Common Element, may be amended or repealed at any time and from time to time only upon approval of the amendment or repeal by all Owners entitled to use such Limited Common Element and any reallocation of Limited Common Elements shall be in accordance with the Act. The amendment or repeal shall be effective upon Recordation of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved by the requisite number of Owners. Notwithstanding anything to the contrary herein contained, any amendment to this Declaration made during the Declarant's Rights Period affecting any Special Declarant Right or any Development Right that Declarant may exercise during such period or affecting any obligation of

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Declarant during such period, or any amendment to this Declaration made during the Declarant's Control Period affecting a right that Declarant may exercise during such period or affecting any obligation of Declarant during such period, must in each case be approved in writing by Declarant before becoming effective.

10.5 Required Consent of Government Mortgage Agencies to Amendment.

Notwithstanding any other provision in this Master Declaration to the contrary, any annexation of any real property within Annexable Area that is not legally described herein, mergers, consolidations or dissolutions of the Association, mortgaging or dedicating the Common Elements, any amendment of this Master Declaration, the Articles of Incorporation or the Bylaws, except for amendments intended to satisfy the requirements of Government Mortgage Agencies, and any other extraordinary actions requiring Government Mortgage Agency approval, shall not be effective unless any Government Mortgage Agency requiring prior approval of such action, has previously approved of such action. The foregoing requirement for consent of any Government Mortgage Agency requiring prior approval of such action, shall terminate at such time as the Declarant's Rights Period ceases, unless extended in accordance with Section 6.1 hereof.

10.6 Amendment of Articles and Bylaws.

The Articles of Incorporation and Bylaws may be amended in accordance with the provision set forth in such instrument or, in the absence of such provisions, in accordance with the applicable provisions of the Nonprofit Corporations Act.

10.7 Special Rights of First Mortgagees.

Any First Mortgagee of a Mortgage encumbering any Site in the Association Area, including any Common Element or Site owned by the Association, upon filing a written request therefor with the Association (an "Eligible First Mortgagee"), shall be entitled to (a) written notice from the Association of any default by the Mortgagor of such Site in the performance of the Mortgagor's obligations under this Master Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association including any annual audited financial statement within ninety (90) days following the end of any fiscal year of the Association; (d) receive written notice of all meetings of the Association; (e) designate a representative to attend any meeting of the Association; (f) receive written notice of abandonment or termination of the Association or of the plan contemplated under this Master Declaration; (g) receive thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Master Declaration, the Articles of Incorporation or the Bylaws; (h) receive thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of the Association or the Common Elements following a decision of the Association to assume self-management of the Common Elements; and (i) receive immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Common Elements if the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000) and as soon as the Association receives notice or

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otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements.

10.8 Special Approvals of Eligible First Mortgagees. Unless at least fifty-one percent (51%) of the Eligible First Mortgagees (based upon one vote for each Mortgage owned) of Sites in the Association have given their written approval, neither the Association nor any Owner shall (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any Common Element or the Improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of easements for access, utilities, drainage and other development purposes or easements for other public purposes consistent with the intended use of such property by the Association, the Declarant and the Owners shall not be deemed within the meaning of this provision); (b) change the method of determining the obligations, Assessments or other charges which may be levied against Owners or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards; (c) by act or omission change, waive or abandon any scheme of regulation, or enforcement thereof, pertaining to architectural approval of Improvement of Property including the architectural design of the exterior appearance of dwelling units, the exterior maintenance of dwelling units or the upkeep of lawns and plantings on the Common Elements; (d) fail to maintain the casualty, fire and extended coverage insurance on insurable Common Elements as elsewhere provided in this Master Declaration; (e) use hazard insurance proceeds for losses to any Common Elements for other than the repair, replacement or reconstruction of the Improvements which were damaged or destroyed; and (f) amend any material provision of this Master Declaration, the Articles of Incorporation or the Bylaws. Notwithstanding anything to the contrary contained in this section or elsewhere in this Article respecting the rights of First Mortgagees, if the Association notifies an Eligible First Mortgagee of an action that it proposes regarding any of the foregoing events, in writing, delivered by registered or certified mail, return receipt requested, and such Eligible First Mortgagee fails to respond within the time provided in Section 10.7, then such Eligible First Mortgagee shall be deemed to have approved of the action proposed by the Association.

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

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

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

10.12 Agreements with Government Mortgage Agencies. The Association may enter into such contracts or agreements on behalf of the Association as may be required in order to satisfy the requirements or guidelines of any Government Mortgage Agency so as to allow for the purchase, guarantee or insurance, as the case may be, by a Government Mortgage Agency of First Mortgages encumbering Sites. Each Owner hereby agrees that it will benefit the Association and the Members thereof, as a class of potential mortgage borrowers and potential sellers of Sites, if Government Mortgage Agencies approve the Association Area or parts thereof as a qualifying subdivision under their respective policies, rules and regulations as adopted from time to time. Declarant may amend this Master Declaration without the consent of Owners or any other Person, to the extent required to comply with Government Mortgage Agency requirements.

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

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

10.15 Persons Entitled to Enforce Declaration. The Association, acting by authority of the Board, Declarant, any Dealer or Principal Builder, or other Owner, and any other Person adversely affected by the failure of another Person to comply with the provisions of this Master Declaration, any Amended Declaration, the Articles of Incorporation or the Bylaws, shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Master Declaration against such Person. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Master Declaration.

10.16 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not

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the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Master Declaration.

10.17 Enforcement by Self Help. Declarant or the Association, or any authorized agent of either of them, may enforce by self help any of the provisions, covenants, conditions, restrictions or equitable servitudes contained in this Master Declaration, provided such self help is preceded by Notice and Hearing as set forth in the Bylaws.

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

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

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

10.21 Limitation on Liability. The Association, the Board of Directors, the Design Review Committee, Declarant and any member, agent or employee of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

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

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

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

10.25 Colorado Common Interest Ownership Act. In the event that any of the terms and conditions of this Master Declaration are in conflict or inconsistent with the terms and conditions of the Act, the Act shall control. All terms and provisions contained herein, to the extent possible, shall be construed in accordance with the Act.

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

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

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

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

10.30 Disclaimer Regarding Safety. DECLARANT AND THE ASSOCIATION HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE ASSOCIATION AREA. BY ACCEPTING A DEED TO PROPERTY WITHIN THE ASSOCIATION AREA, EACH OWNER ACKNOWLEDGES THAT DECLARANT AND THE ASSOCIATION ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION, BYLAWS AND RULES AND REGULATIONS, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE ASSOCIATION AREA.

10.31 Golf Course Disclosure, Release and Easement. All Owners acknowledge that the Association Area is near or adjacent to an 18 hole Golf Course (as hereinafter defined) located within the area generally known as The Broadlands Planned Unit Development (the "Broadlands"), in the City of Broomfield, Colorado. By acceptance of a deed to a Site, or by occupancy of any building upon a Site, each Owner and occupant recognizes and assumes the risks of owning or occupying property near or adjacent to a golf course. Such risks include, without limitation, injury or damage to person and/or property arising out of, or resulting from, the design, construction, operation, maintenance and/or use of the Golf Course; noise associated with the Golf Course; golf balls including errant golf balls; carts, maintenance vehicles, and mowers; trespass; acts or omissions of persons using or otherwise on the Golf Course and/or the Broadlands; and/or the existence of water hazards, ponds and/or lakes on the Golf Course itself

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(collectively the "Golf Course Risks"). By acceptance of a deed to a Site, or by occupancy of any building upon a Site, each Owner and occupant to the fullest extent permitted by law hereby releases, waives and discharges the Declarant, the Association, the City of Broomfield, Colorado (the "City"), the Community Development Group of Broomfield, LLC, the Golf Course management company, any lessee of the Golf Course who operates the same, any Principal Builder, and their respective officers, directors, members, managers, shareholders, partners, agents, and employees, and their respective heirs, representatives, successors and assigns (collectively the "Benefitted Parties"), from any and all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from the Golf Course Risks (including golf balls hit from the area of the Golf Course), whether caused by the negligence of the Benefitted Parties, including without limitation, the negligent design, development, construction or operation of the golf course, but not including the gross negligence or willful misconduct of the Benefitted Parties. Each Owner hereby further covenants not to institute any action or suit at law or in equity against the Benefitted Parties, or any of them, not to institute or prosecute any claim, demand, or compensation against the Benefitted Parties, or any of them, for or on account of any damage, loss or injury to either person or property, or both, resulting directly or indirectly from the design, construction, operation, maintenance, and/or use of the Golf Course including, without limitation, acts caused by golfers or patrons of the Golf Course and/or other Golf Course Risks. Declarant hereby grants a non-exclusive easement for the flight, passage and landing of golf balls on over and across the Sites located within the Association Area which are hit from or otherwise originate from the Golf Course located within the real property more commonly known as The Broadlands, as generally identified and located in The Broadlands Preliminary Plat and PUD Plan filed for record in the office of the Adams County, Colorado, Clerk and Recorder on June 26, 1997 under Reception No. C0293757 (the "Golf Course"). This easement shall be appurtenant to, and for the benefit of, the Golf Course and for the use and benefit of all present and future owners of the Golf Course and any lessee, licensee, permittee or invitee of the owner of the Golf Course, any person or entity which contracts to operate or manage the Golf Course, and any golfer who is duly authorized to play golf on the Golf Course. This grant of easement shall be in effect only during the hours of operation of the Golf Course. This grant of easement shall terminate if the Golf Course permanently ceases to be used as a golf course for a period of five consecutive years. This Grant of Easement does not authorize any person use of any Site for any other purpose or to enter upon a Site or any other property owned by Declarant, to retrieve or remove golf balls. Any restrictions contained in this Master Declaration shall not be construed so as to prohibit or restrict the use or operation of the Golf Course. The configuration and layout of the Golf Course may change from time to time. Such changes may affect the frequency, trajectory and velocity of errant shots which may pass onto or over any individual Site. Nevertheless, no Owner of a Site shall have any right to object to, or in any manner limit changes to the Golf Course, and the easements granted in this Section shall remain fully effective as to all of the Sites after such changes.

10.32 Oil and Gas Well Disclosure. All Owners acknowledge the current existence of six oil and gas wells located within the real property encompassed by the Broadlands Preliminary Plat and PUD Plan ("The Broadlands PUD") filed for Record in the office of the

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Adams County, Colorado, Clerk and Recorder on June 26, 1997 under Reception No. C0293757 and/or the Annexable Area. The six oil and gas wells have been placed into operation pursuant to the grant of those certain leases identified as follows (recorded in Adams County, Colorado):

1. Oil and Gas Lease, Recorded October 16, 1991 at Reception No. BO127854, Book 3826, Page 154;
2. Affidavit of Oil and Gas Lease Recorded August 2, 1991 in Book 3802 at Page 877;
3. Oil and Gas Lease Recorded October 16, 1991 in Book 3826 at Page 166;
4. Oil and Gas Lease Recorded October 16, 1991 in Book 3826 at Page 160;
5. Oil and Gas Lease between Northwest Quadrant Investment Co. and Vessels Oil & Gas Company, Recorded January 22, 1992 in Book 3858 at Page 165;
6. Oil and Gas Lease Recorded August 14, 1991 in Book 3806 at Page 73.

all of which are Recorded in the office of the Clerk and Recorder of Adams County, Colorado. These oil and gas leases generally permit certain surface activity on the Leased premises which activity may include drill sites, gathering pipelines, production sites and facilities, and access roads, all as further described in the leases. With regard to such surface activity, no drill sites, gathering pipeline, production site or access road shall be located upon any Site. No residential dwelling unit shall be permitted to be constructed within two-hundred (200) feet of a drilling or production site, or within such other distance, lesser or greater than two-hundred feet, as established or required by the City of Broomfield, Colorado while such well is operational.

By acceptance of a deed to a Site, each owner recognizes the existence of such oil and gas leases, and the surface activity associated with such oil and gas leases, and assumes the risk of owning property near or adjacent to an oil and gas well operation. Such risks include, without limitation, injury or damage to person and/or property arising out of, or resulting from the drilling, operation and maintenance of an oil and gas well; noise associated with an oil and gas well operation; explosion and fire; leakage of oil and/or gas from drilling or production facilities; vehicles servicing the oil and gas site (collectively the "Oil and Gas Well Risks"). By acceptance of a deed to a Site, each Owner hereby releases, waives, and discharges the Declarant, the Community Development Group of Broomfield, LLC and the Association, and their respective officers, directors, members, managers, partners, shareholders, agents and employees, and their respective heirs, representatives, successors and assigns from any and all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from the Oil and Gas Well Risks and from the existence or operation of oil and gas wells pursuant to the leases identified above.



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IN WITNESS WHEREOF, Declarant has executed this Master Declaration the day and year first above written.

COMMUNITY DEVELOPMENT GROUP OF BROOMFIELD, LLC, a Colorado limited liability company

By: [Signature]  
Name: David A. Gitlitz  
Its: Manager

STATE OF COLORADO )  
City and ) ss.  
COUNTY OF Denver )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of December, 1997, by David A. Gitlitz as manager of COMMUNITY DEVELOPMENT GROUP OF BROOMFIELD, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My Commission expires: 2-16-2000



[Signature]  
Notary Public

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EXHIBIT A

TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE BROADLANDS

LEGAL DESCRIPTION OF THE ASSOCIATION AREA (INCLUDING EASEMENT AND  
LICENSE RECORDING INFORMATION)

A. Legal Description:

1. THE BROADLANDS FILING NO. 1, COUNTY OF ADAMS, STATE OF COLORADO, IN ACCORDANCE WITH THE FINAL PLAT THEREOF RECORDED OCTOBER 10, 1997, IN FILE 17, MAP 735, AND RECEPTION NO. C0325956.

EXCEPT ALL STREETS, DRIVES AND OUTLOTS A THROUGH H INCLUSIVE, AND J THROUGH M INCLUSIVE DEDICATED IN FEE SIMPLE TO THE CITY OF BROOMFIELD, COUNTY OF ADAMS, STATE OF COLORADO AS IDENTIFIED ON THE ABOVE-REFERENCED PLAT.

2. THE BROADLANDS FILING NO. 2, COUNTY OF ADAMS, STATE OF COLORADO, IN ACCORDANCE WITH THE FINAL PLAT THEREOF RECORDED OCTOBER 10, 1997, IN FILE 17, MAP 736, AND RECEPTION NO. C0325958.

EXCEPT ALL STREETS, DRIVES AND OUTLOTS DEDICATED IN FEE SIMPLE TO THE CITY OF BROOMFIELD, COUNTY OF ADAMS, STATE OF COLORADO AS IDENTIFIED ON THE ABOVE-REFERENCED PLAT.

B. Recording Information of Easements and Licenses. If recorded, the following documents are recorded in the office of the Clerk and Recorder of Adams County, Colorado:

1. TAXES AND ASSESSMENTS FOR THE YEAR OF RECORDING OF THIS MASTER DECLARATION AND FOR SUBSEQUENT YEARS, NOT YET DUE AND PAYABLE.

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EXHIBIT A (continued)

- 2. TERMS, CONDITIONS AND PROVISIONS OF ANNEXATION AGREEMENT RECORDED May 10, 1984 IN BOOK 2870 AT PAGE 596.
- 3. AFFIDAVIT OF OIL AND GAS LEASE RECORDED AUGUST 2, 1991 IN BOOK 3802 AT PAGE 877.
- 4. THE EFFECT OF SITE DEVELOPMENT PLAN RECORDED AUGUST 24, 1992 UNDER RECEPTION NO. B1086251.
- 5. THE EFFECT OF SITE DEVELOPMENT PLAN RECORDED AUGUST 24, 1993 UNDER RECEPTION NO. B1086252.
- 6. OIL AND GAS LEASE RECORDED OCTOBER 16, 1991 IN BOOK 3826 AT PAGE 166 AND ANY AND ALL RIGHTS THEREIN OR INTEREST THEREUNDER.  
NOTE: AFFIDAVIT OF PRODUCTION RECORDED OCTOBER 1, 1992 IN BOOK 3961 AT PAGES 987, 991 AND 995.
- 7. TERMS, CONDITIONS AND PROVISIONS OF RIGHT OF WAY AGREEMENT RECORDED December 17, 1992 IN BOOK 4000 AT PAGE 788, TO BE RELOCATED AND ABANDONED, ACCORDING TO THE RECORDED PLAT THEREOF.
- 8. THE EFFECT OF SITE DEVELOPMENT PLAN, RECORDED August 24, 1992, UNDER RECEPTION NO. B1086253.
- 9. NON-EXCLUSIVE RIGHT OF WAY AS GRANTED TO PLATTE GAS LINE COMPANY IN INSTRUMENT RECORDED DECEMBER 17, 1992 IN BOOK 4000 AT PAGE 775, TO BE RELOCATED AND ABANDONED, ACCORDING TO THE RECORDED PLAT THEREOF.
- 10. OIL AND GAS LEASE BETWEEN HILLTOP INVESTMENTS PARTNERSHIP AND VESSELS OIL & GAS COMPANY, RECORDED September 13, 1991 IN BOOK 3816 AT PAGE 241 AND ANY AND ALL ASSIGNMENTS THEREOF, OR INTEREST THEREIN.  
NOTE: AFFIDAVIT OF PRODUCTION RECORDED OCTOBER 1, 1992 IN BOOK 3961 AT PAGE 987.
- 11. TERMS, CONDITIONS AND PROVISIONS OF AGREEMENT REGARDING THE BROADLANDS PUD RECORDED June 26, 1997 IN BOOK 5040 AT PAGE 49.
- 12. TERMS, CONDITIONS AND PROVISIONS OF VESTING AGREEMENT FOR THE BROADLANDS PUD PLAN/PRELIMINARY PLAT RECORDED June 26, 1997 IN BOOK 5040 AT PAGE 90.
- 13. THE EFFECT OF ORDINANCE NO. 1211 RECORDED JUNE 26, 1997 IN BOOK 5040 AT PAGE 47.
- 14. THE EFFECT OF THE BROADLANDS PRELIMINARY PLAT AND P.U.D. PLAN, RECORDED June 26, 1997, UNDER RECEPTION NO. C0293757.
- 15. TERMS, CONDITIONS AND PROVISIONS OF SUBDIVISION AGREEMENT FOR THE BROADLANDS FILING NO. 1 RECORDED OCTOBER 15, 1997, AT RECEPTION NO. C0327190.
- 16. THE EFFECT OF SITE DEVELOPMENT PLAN FOR THE BROADLANDS FILING NO. 1, RECORDED October 10, 1997, UNDER RECEPTION NO. C0325957.
- 17. EASEMENTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS ON THE RECORDED PLAT OF THE BROADLANDS FILING NO. 1 RECORDED OCTOBER 10, 1997 IN FILE 17 MAP 735.

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EXHIBIT A (continued)

18. RIGHT TO CONSTRUCT HEREAFTER SUCH LATERALS, FLUMES, PIPE LINES AND WATERWAYS ACROSS ANY PART OF THE LAND IN SECTION 19 AS MAY BE REQUIRED TO IRRIGATE THIS AND OTHER LAND OWNED BY THE VENDOR OR IN WHICH IT HAS AN INTEREST WITH THE RIGHT OF INGRESS AND EGRESS TO REPAIR, MAINTAIN AND OPERATE THE SAME, AS CONTAINED IN DEED FROM THE FRANCO-AMERICAN LAND COMPANY RECORDED OCTOBER 25, 1919 IN BOOK 99 AT PAGE 264.
19. AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OF THE OIL, GAS AND OTHER MINERALS AND HYDRO-CARBONS IN AND UNDER AND THAT MAY BE PRODUCED FROM THE PROPERTY IN SECTION 19, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS AT ALL TIME FOR THE PURPOSE OF MINING, DRILLING AND EXPLORING SAID LAND FOR OIL, GAS AND OTHER MINERALS AND HYDRO-CARBONS AND REMOVING THE SAME THEREFROM, AS RESERVED BY HAROLD C. HANCOCK AND JANE LOY HANCOCK IN DEED TO JAMES M. LAIRD, RECORDED MARCH 24, 1960 IN BOOK 835 AT PAGE 530 AND JULY 14, 1960 IN BOOK 855 AT PAGE 14.
20. RIGHT OF WAY AS GRANTED TO PLATTE GAS LINE COMPANY IN AGREEMENT RECORDED DECEMBER 17, 1992 IN BOOK 4000 AT PAGE 778, TO BE ABANDONED AND RELOCATED, ACCORDING TO THE RECORDED PLAT THEREOF.
21. THE EFFECT OF SITE DEVELOPMENT PLAN, RECORDED August 24, 1992, UNDER RECEPTION NO. B1086253.
22. OIL AND GAS LEASE BETWEEN NORTHWEST QUADRANT INVESTMENT CO. AND VESSELS OIL & GAS COMPANY, RECORDED January 22, 1992 IN BOOK 3858 AT PAGE 165 AND ANY AND ALL ASSIGNMENTS THEREOF, OR INTEREST THEREIN.
23. TERMS, CONDITIONS AND PROVISIONS OF SUBDIVISION AGREEMENT FOR THE BROADLANDS FILING NO. 2 RECORDED OCTOBER 15, 1997, at Reception No. C0327191
24. THE EFFECT OF SITE DEVELOPMENT PLAN FOR THE BROADLANDS FILING NO. 2, RECORDED October 10, 1997, UNDER RECEPTION NO. C0235959.
25. EASEMENTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS ON THE RECORDED PLAT OF THE BROADLANDS FILING NO. 2, RECORDED OCTOBER 10, 1997 IN FILE 17 MAP 736.

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EXHIBIT B

TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE BROADLANDS

LEGAL DESCRIPTION OF THE ANNEXABLE AREA:

THAT PORTION OF SECTION 19 AND THAT PORTION OF THE WEST HALF OF SECTION 20, TOWNSHIP 1 SOUTH, RANGE 68 WEST, SIXTH PRINCIPAL MERIDIAN, CITY OF BROOMFIELD, COUNTY OF ADAMS, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 19;

THENCE S 00°18'22" W 30.00 FEET ALONG THE EASTERLY LINE OF SAID SECTION 19;

THENCE N 89°45'30" W 30.00 FEET TO THE POINT OF BEGINNING;

THENCE S 00°18'22" W 2612.70 FEET ALONG THE WESTERLY RIGHT OF WAY OF LOWELL BOULEVARD;

THENCE S 00°18'18" W 2612.35 FEET ALONG SAID WESTERLY RIGHT OF WAY;

THENCE N 89°30'36" W 710.87 FEET ALONG THE NORTHERLY RIGHT OF WAY OF WEST 136TH AVENUE;

THENCE ALONG THE NORTHEASTERLY AND WESTERLY BOUNDARY OF SUNNYSLOPE ESTATES FILING NO. TWO, AS PLATTED AND RECORDED IN FILE 10, MAP 360, THE FOLLOWING FIFTEEN COURSES:

1. N 53°30'35" W 86.85 FEET;
2. N 31°30'35" W 130.00 FEET;
3. N 52°30'35" W 144.65 FEET;
4. N 56°30'35" W 145.00 FEET;
5. N 62°30'35" W 150.00 FEET;
6. N 37°00'35" W 450.00 FEET;
7. N 26°30'35" W 150.04 FEET;
8. N 40°00'35" W 250.00 FEET;
9. N 54°30'35" W 174.00 FEET;
10. N 42°30'35" W 70.00 FEET;
11. N 68°00'35" W 250.00 FEET;

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12. N 59°00'35" W 85.00 FEET;
13. N 71°10'35" W 372.00 FEET;
14. N 52°13'35" W 49.50 FEET;

THENCE N 00°16'23" E, 1094.05 FEET TO THE CENTER OF SAID SECTION 19;  
THENCE S 89°43'19" W, 2540.94 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 19;

THENCE N 00°38'39" E, 2613.96 FEET TO THE SOUTHERLY RIGHT OF WAY OF 144th AVENUE

THENCE ALONG SAID SOUTHERLY RIGHT OF WAY THE FOLLOWING COURSES:

1. S 89°38'55" E, 2523.95 FEET;
2. S 89°45'30" E, 2611.12 FEET TO THE POINT OF BEGINNING,

TOGETHER WITH THAT PORTION OF SECTION 20 DESCRIBED AS FOLLOWS:  
COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 20;

THENCE S 00°18'22" W 30.00 FEET ALONG THE WESTERLY LINE OF SAID SECTION 20;

THENCE S 89°42'05" E 30.00 FEET TO THE POINT OF BEGINNING;

THENCE S 89°42'05" E 2602.96 FEET ALONG THE SOUTHERLY RIGHT OF WAY OF WEST 144TH AVENUE;

THENCE S 00°22'30" W 5248.18 FEET ALONG THE NORTH-SOUTH CENTERLINE OF SECTION 20;

THENCE N 89°11'58" W 2596.70 FEET ALONG THE NORTHERLY RIGHT OF WAY OF WEST 136TH AVENUE;

THENCE N 00°18'18" E 2612.70 FEET ALONG THE EASTERLY RIGHT OF WAY OF LOWELL BOULEVARD;

THENCE N 00°18'22" E 2612.73 FEET ALONG SAID EASTERLY RIGHT OF WAY TO THE POINT OF BEGINNING, BOTH PARCELS CONTAINING A TOTAL OF 739.07 ACRES.

EXCEPTING THEREFROM THE PROPERTY DESCRIBED ON EXHIBIT A TO THIS MASTER DECLARATION,

AND INCLUDING THE FOLLOWING PARCEL:

THAT PART OF THE SW1/4 OF SECTION 19, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE 6TH P.M., DESCRIBED AS FOLLOWS:

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BEGINNING AT THE SOUTHEAST CORNER OF SAID SW1/4;  
THENCE NORTH 00°00'00" EAST AN ASSUMED BEARING ALONG THE EAST LINE  
OF SAID SW1/4 A DISTANCE OF 2632.55 FEET TO THE NORTHEAST CORNER OF  
SAID SW1/4;  
THENCE NORTH 89°59'30" WEST ALONG THE NORTH LINE OF SAID SW1/4 A  
DISTANCE OF 1338.79 FEET;  
THENCE SOUTH 00°00'00" WEST PARALLEL TO THE EAST LINE OF SAID SW1/4 A  
DISTANCE OF 2633.39 FEET TO A POINT ON THE SOUTH LINE OF SAID SW1/4;  
THENCE NORTH 89°57'50" EAST ALONG SAID SOUTH LINE A DISTANCE OF  
1338.79 FEET TO THE POINT OF BEGINNING;

EXCEPTING ANY PORTION LYING WEST OF 136TH AVE.  
COUNTY OF ADAMS, STATE OF COLORADO.

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EXHIBIT C

TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE BROADLANDS

GENERAL COMMON ELEMENTS:

NONE AT THE TIME OF INITIAL RECORDING OF THIS MASTER DECLARATION.



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EXHIBIT D

TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE BROADLANDS

LIMITED COMMON ELEMENTS AND SITES WHICH ARE ENTITLED TO USE THE  
SAME:

NONE AT THE TIME OF INITIAL RECORDING OF THIS MASTER DECLARATION