

MASTER DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS OF KENTFIELD

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MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF KENTFIELD

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF KENTFIELD ("Master Declaration") is made and entered into by KAUFMAN AND BROAD OF COLORADO, INC., a Colorado corporation ("Master Declarant")

WITNESSETH:

WHEREAS, the Master Declarant is the owner of the real property situated in the County of Adams, State of Colorado, which is described on Exhibit A, attached hereto and incorporated herein by this reference; and

WHEREAS, the Master Declarant desires to subject and place upon the property described on the attached Exhibit A certain covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities and other provisions; and

WHEREAS, a common interest community may be created pursuant to CCIOA (as hereinafter defined) only by recording a declaration executed in the same manner as a deed. The declaration must be recorded in every county in which any portion of the common interest community is located and must be indexed in the grantee's index in the name of the common interest community and in the name of the association, and in the grantor's index in the name of each person executing the declaration. No common interest community is created until the plat or map for the common interest community is recorded.

NOW, THEREFORE, Master Declarant hereby declares that a plat which includes the property described on the attached Exhibit A has been recorded and that all of the real property described on the attached Exhibit A shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, easements, rights-of-way, obligations, liabilities, charges and other provisions set forth herein.

ARTICLE 1. DEFINITIONS

Section 1.1. Agencies.

"Agencies" means the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development, including the Federal Housing Administration (HUD), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities.

Section 1.2. Allocated Interests.

"Allocated Interests" means the assessment liability and votes in the Master Association allocated to each Lot. The Allocated Interest for each Lot shall be a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots within the Community from time to time.

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Section 1.3. *Annexable Area.*

"Annexable Area" means the property described on Exhibit E attached hereto and incorporated herein by this reference plus, as provided in CCIOA, such additional real estate from such locations as the Master Declarant may elect in its sole discretion in an amount not to exceed the maximum permitted pursuant to CCIOA.

Section 1.4. *Architectural Review Committee or Committee.*

"Architectural Review Committee" or "Committee" means the committee appointed by the Master Declarant or by the Master Association to review and approve or disapprove plans for Improvements, as more fully provided in this Master Declaration.

Section 1.5. *Board of Directors or Board.*

"Board of Directors" or "Board" means the body, regardless of name, designated in this Master Declaration, the Articles of Incorporation and the Bylaws of the Master Association to act on behalf of the Master Association.

Section 1.6. *Builder.*

"Builder" means any Member other than the Master Declarant who acquires (or has acquired prior to annexation to this Master Declaration) one or more Lots for the purpose of constructing one or more dwelling units thereon, and who is designated as a Builder by Master Declarant in its sole discretion from time to time (including the right to withdraw such designation), with such designation to be made by a written instrument duly recorded in the office of the Clerk and Recorder of the County of Adams, Colorado.

Section 1.7. *CCIOA.*

"CCIOA" means the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq., as amended

Section 1.8. *Common Area.*

"Common Area" means any property owned or leased by a Subassociation (which may include one or more platted lots) other than a Lot. The Common Area at the time of recordation of this Master Declaration is described on Exhibit B attached hereto and incorporated herein by this reference.

Section 1.9. *Common Elements.*

"Common Elements" means any property owned or leased by the Master Association (which may include one or more platted lots), other than a Lot. The Common Elements at the time of recordation of this Master Declaration are described on Exhibit C attached hereto and incorporated herein by this reference

Section 1.10. *Community.*

"Community" means the real estate and the Improvements thereon described on the attached Exhibit A, as supplemented and amended from time to time. The Community is a planned community under CCIOA. The name of the Community is "Kentfield".

Section 1.11. *Development Rights.*

"Development Rights" means the following rights or combination of rights hereby reserved by the Master Declarant, as such Development Rights may be further described in this Master Declaration, to:

1.11.1 add real estate to this Community and create Lots, Common Elements or Common Area within this Community in connection with the addition of such real estate, as provided in Section 12.5 of this Master Declaration;

1.11.2 subdivide or replat Lots, as provided in Section 12.7 of this Master Declaration; or

1.11.3 withdraw real estate from this Community, as provided in Section 12.5 of this Master Declaration.

The Master Declarant may exercise its Development Rights in all or any portion of the Community, and no assurances are made as to the boundaries or order of exercise of any Development Rights. The Master Declarant's right to exercise Development Rights shall terminate automatically as provided in Section 1.24 of this Master Declaration.

Section 1.12. *Improvements.*

"Improvements" means all structures now or hereafter located on a Lot or in the Common Elements or Common Area, exterior improvements to any such structures, and any other improvements made to a Lot or the Common Elements or Common Area, and any appurtenances thereto or components thereof of every type or kind, including all landscaping features. The foregoing include, without limitation, buildings, outbuildings (including storage sheds), painting or other finish materials on any visible structure, additions and/or expansions, garages, carports, driveways, swimming pools, tennis courts, stairs, walkways, patios/decks and patio/deck covers, awnings, hot tubs, jacuzzis and/or saunas, antennas, satellite dishes, exterior light fixtures, poles, basketball backboards and hoops, whether fixed or movable, play yards (including swing sets and jungle gyms), exterior tanks, solar collectors, fences (including dog runs), screening walls, retaining walls, sprinkler systems, fountains, ponds, hedges, windbreaks, gardens, trees, shrubs, flowers, vegetables, sod, and other plantings, rock, gravel, bark, mulch and any other landscaping components, signs, exterior decorations, mailboxes, and exterior air conditioning, cooling, heating and water softening equipment, if any.

Section 1.13. *Lot.*

"Lot" means each platted lot shown upon any recorded subdivision map of the real property described on the attached Exhibit A, as the same may be subdivided or replatted from time to time (and "Lot" shall include all lots created as a result of such subdivision or replatting), or any other real property as may hereafter be brought within the jurisdiction of the Master Association, with the exception of the Common Elements or the Common Area and any publicly dedicated property. Each Lot shall constitute a "unit" under CCIOA, and it shall not be necessary to use the term "unit" as a part of a legally sufficient description of a Lot.

Section 1.14. *Lots that May Be Included.*

"Lots that May Be Included" means Four Hundred Sixty (460) Lots, which shall be the maximum number of Lots that may be subject to this Master Declaration, including those Lots which may be included if all of the Annexable Area is annexed to this Master Declaration. However, the aforesaid number of Lots that May Be Included is not a representation or a guarantee as to the actual number of Lots that will ultimately be included in the Community.

Section 1.15. *Master Association.*

"Master Association" means Kentfield Master Association, Inc., its successors and assigns, a community association as provided in CCIOA.

Section 1.16. *Master Declarant.*

"Master Declarant" means Kaufman and Broad of Colorado, Inc., a Colorado corporation, and any other Person(s) acting in concert, to whom the Master Declarant, by recorded document, expressly assigns one or more of the Master Declarant's rights under this Master Declaration (which shall be the extent of the Master Declarant's rights to which such assignee succeeds), and who:

1.16.1. As part of a common promotional plan, offers to dispose of to a purchaser such Master Declarant's interest in a Lot not previously disposed of to a purchaser; or

1.16.2. Reserves or succeeds to any Special Master Declarant Right.

Section 1.17. *Master Declaration.*

"Master Declaration" means this Master Declaration of Covenants, Conditions and Restrictions of Kentfield and any other recorded instruments, however denominated, that create this Community, including any supplements and amendments to those instruments and also including, but not limited to, plats and maps.

Section 1.18. *Member.*

"Member" means all Owners of a Lot collectively or, following termination of the Community, all former Owners entitled to distributions of proceeds under CCIOA, or their heirs, personal representatives, successors or assigns.

Section 1.19. *Owner.*

"Owner" means each fee simple title holder of a Lot, including without limitation, the Master Declarant, a Builder, or other Person who owns a Lot, but does not include a Person having an interest in a Lot solely as security for an obligation. There may be more than one Owner of a Lot.

Section 1.20. *Person.*

"Person" means a natural person, a corporation, a limited liability company, a partnership, an association, a trust, a joint venture, or any other entity recognized under the laws of the State of Colorado or any combination thereof.

Section 1.21. *Security Interest.*

"Security Interest" means an interest in real estate or personal property created by contract or conveyance, which secures payment or performance of any obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Master Association, and any other consensual lien or title retention contract intended as security for an obligation. For purposes of Section 4.11 of this Master Declaration and, with respect to notice of cancellation or substantial modification of certain insurance policies, to Section 6.3 of this Master Declaration, "Security Interest" shall also mean and refer to any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is the seller, whether such contract is recorded or not, and whether such contract is owned by the said Administrator or has been assigned by the Administrator and is owned by the Administrator's assignee, or a remote assignee, and the land records in the County in which such property is located show the Administrator as having the record title to the Lot.

Section 1.22. *Security Interest Holder.*

"Security Interest Holder" means any Person named as a mortgagee or beneficiary, or in a similar capacity, under any Security Interest (including, for purposes of Section 4.11 of this Master Declaration and, with respect to notice of cancellation or substantial modification of certain insurance policies, to Section 6.3 of this Master Declaration, the Administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executory land sales contract wherein the said Administrator is identified as the seller, whether such contract is recorded or not and the land records in the County in which such property is located show the said Administrator as having the record title to the Lot), or any successor to the interest of any such Person under such Security Interest.

Section 1.23. *75% Control Period.*

"75% Control Period" means a length of time expiring ten (10) years after initial recording of this Master Declaration in the County in which the property described on the attached Exhibit A is located. However, the 75% Control Period shall terminate earlier, upon the first to occur of the following events, if any of the following occur within the time period that is specified in the first sentence of this Section: sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that May Be Included to Owners other than a Master Declarant; two (2) years after the last conveyance of a Lot by the Master Declarant in the ordinary course of business; or two (2) years after any right to add new Lots to the Master Declaration was last exercised.

Section 1.24. *Special Master Declarant Rights.*

"Special Master Declarant Rights" means the following rights, which rights are hereby reserved for the benefit of the Master Declarant, and which rights may be further described in this Master Declaration: to build and complete Improvements in the Community; to exercise any Development Right; to maintain sales offices, construction offices, management offices, and signs advertising the Community and sale of Lots; to use easements through the Common Elements and Common Area for the purpose of making Improvements within the Community or within real estate which may be added to the Community; to make the Community subject to another association; to merge or consolidate with a Community of the same form of ownership; or to

appoint or remove any director or officer of the Master Association during the 75% Control Period. All of the Special Master Declarant Rights may be exercised by the Master Declarant with respect to any portion of the property now or hereafter within the Community. Master Declarant may exercise any or all of these Special Master Declarant Rights at any time and from time to time. Such rights shall terminate automatically at such time as the Master Declarant no longer owns any portion of the property described on the attached Exhibits A and E.

Section 1.25. *Subassociation.*

"Subassociation" means any Colorado corporation or Colorado limited liability company and its successors and assigns, organized and established or authorized pursuant to, or in connection with, one or more Supplemental Declarations, the membership of which is composed of Owners of Lots within the area covered by the Supplemental Declaration.

Section 1.26. *Supplemental Declaration.*

"Supplemental Declaration" means a written instrument containing covenants, conditions, restrictions, or equitable servitudes, and/or any other provisions, or any combination thereof, which may be recorded on any portion of the property described in the attached Exhibit A and/or the Annexable Area annexed to this Master Declaration.

Section 1.27. *Unfinished Lot.*

"Unfinished Lot" means those Lots on which a certificate of occupancy has not been issued for the dwelling unit now or hereafter located on such Lot.

ARTICLE 2. MEMBERSHIP AND VOTING RIGHTS

Section 2.1. *Membership.*

The Master Association shall have one (1) class of membership. Membership in the Master Association shall be appurtenant to, and may not be separated from, ownership of a Lot. Each Lot shall have one (1) membership and there is only one (1) Member per Lot, even if multiple Owners own the Lot.

Section 2.2. *Voting Rights.*

Each Member shall be entitled to one (1) vote for each Lot owned, except that no votes allocated to a Lot owned by the Master Association may be cast. The total number of votes that may be cast in connection with any matter shall be equal to the total number of Lots then existing within the Master Association.

ARTICLE 3. MASTER ASSOCIATION

Section 3.1. *Master Association.*

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

Section 3.2. *Board of Directors.*

The affairs of the Master Association shall be managed by a Board of Directors. The number, term and qualifications of the Board of Directors shall be fixed in the Master Association's Articles of Incorporation and Bylaws. Subject to Section 3.4 hereof, the Board of Directors shall be elected by the Members. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers of the Master Association or to agents and employees of the Master Association, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the Master Association.

Section 3.3. *Authority of Board of Directors.*

Action by or on behalf of the Master Association may be taken by the Board of Directors or any duly authorized executive committee, officer, agent or employee, without a vote of the Members, except as otherwise specifically provided in this Master Declaration, the Articles of Incorporation or Bylaws of the Master Association.

Section 3.4. *Election of Part of the Board of Directors During the 75% Control Period.*

No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots that May Be Included to Owners other than the Master Declarant or a Builder, at least one (1) director and not less than twenty-five percent (25%) of the directors must be elected by Members other than the Master Declarant or a Builder. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that May Be Included to Owners other than Master Declarant or a Builder, not less than thirty-three and one-third percent (33 1/3%) of the directors must be elected by Members other than the Master Declarant or a Builder.

Section 3.5. *Authority of Master Declarant During 75% Control Period.*

Except as otherwise provided in this Article, during the 75% Control Period, the Master Declarant or Persons appointed by the Master Declarant may appoint all officers and members of the Board of Directors and remove all officers and members of the Board of Directors which have been appointed by the Master Declarant. The Master Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the 75% Control Period; but, in that event, the Master Declarant may require, for the duration of the 75% Control Period, that specified actions of the Master Association or Board of Directors, as described in a recorded instrument executed by the Master Declarant, be approved by the Master Declarant before they become effective.

Section 3.6. *Termination of 75% Control Period.*

Not later than the termination of the 75% Control Period, the Members shall elect a Board of Directors, at least a majority of whom must be Owners other than the Master Declarant or designated representatives of Owners other than the Master Declarant. The Board of Directors shall elect the officers. Such directors and officers shall take office upon election.

Section 3.7. *Delivery of Property by Master Declarant.*

After the Members other than the Master Declarant elect a majority of the directors, the Master Declarant shall deliver to the Master Association all property of the Owners and of the Master Association held by or controlled by the Master Declarant, if and to the extent required by CCIOA.

Section 3.8. *Budget.*

Within thirty (30) days after adoption of any proposed budget for the Community, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the Master Association budget to all the Members and shall set a date for a meeting of the Members to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting the budget is rejected by the vote or agreement of Members to which at least ninety percent (90%) of the votes in the Master 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 Members must be continued until such time as the Members ratify a subsequent budget proposed by the Board of Directors.

Section 3.9. *Master Association Books and Records.*

The Master Association shall make available to Owners, prospective purchasers, Security Interest Holders, and insurers or guarantors of any such Security Interest, current copies of this Master Declaration, and the Articles of Incorporation, Bylaws, rules and regulations, books, records and financial statements of the Master Association. "Available" shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances.

Section 3.10. *Information Regarding Security Interests on Lots.*

Each Member shall, within twenty (20) days of encumbering such Member's Lot with a Security Interest, and at other times upon request of the Master Association, provide the Master Association with the name and address of such Security Interest Holder, a copy of the instrument(s) creating the Security Interest(s), and the loan number(s) (or other identifying number of such Security Interest(s)). Within twenty (20) days after any change in the name or address of a Security Interest Holder on a Member's Lot, and at other times upon request of the Master Association, such Member shall provide the aforesaid information to the Master Association with respect to each Security Interest held by such Security Interest Holder.

Section 3.11. *Rules and Regulations.*

Rules and regulations concerning and governing the Lots, Common Elements, Common Area, this Community and/or rights-of-way, may be adopted, amended, repealed and enforced from time to time by the Board of Directors, and the Board of Directors may establish and enforce penalties for the infraction thereof, including, without limitation, the levying and collecting of fines for the violation of any of such rules and regulations. The rules and regulations may state procedural requirements, interpretations and applications of the provisions of this Master Declaration, including without limitation, blanket requirements, blanket interpretations, and blanket

applications. By way of example and not by way of limitation, such rules and regulations may state that "reasonable" as used in Section 10 3 of this Master Declaration, means a specified number of pets. Any rules and regulations that are adopted shall be in accordance with, and shall not be inconsistent with or contrary to, this Master Declaration and all provisions hereof.

Section 3.12. *Cooperation with any Subassociations, any Other Community Associations, and/or any Districts.*

The Master Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any Subassociation(s), any other community association(s), and/or any district(s), to share the costs and/or responsibility for any maintenance, repair, replacement, or other matters, to perform maintenance, repair or replacement for any Person(s) in consideration of payment or reimbursement therefor, to utilize the same contractors, subcontractors, managers, or others who may perform services for the Master Association and/or any Subassociation(s) and/or any other community association(s) and/or any district(s), or to otherwise cooperate with any Subassociation(s), any other community association(s) and/or any district(s) in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the Board of Directors in its discretion from time to time. The costs and expenses for all such matters, if any, shall be shared or apportioned between the Master Association and/or any Subassociation(s) and/or any other community association(s) and/or any district(s), as the Board of Directors may determine in its discretion from time to time. Additionally, the Master Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any Subassociation(s), any other community association(s), and/or any district(s) to collect assessments, other charges, or other amounts which may be due to such entity and to permit any such entity to collect assessments, other charges or other amounts which may be due to the Master Association; in any such instance, the Master Association shall provide for remittance to such entity of any amounts collected by the Master Association or to the Master Association of any amounts collected by such entity.

Section 3.13. *Management Agreements and Other Contracts.*

Any agreement for professional management of the Master Association's business or other contract providing for the services of the Master Declarant shall have a maximum term of three (3) years and any such agreement shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon not more than ninety (90) days' prior written notice; provided, however, that any such management agreement(s) entered into by the Master Association with a manager or managing agent prior to termination of the 75% Control Period shall be subject to review and approval by HUD or VA if, at the time such agreement is entered into, HUD has insurance or VA has a guarantee(s) on one or more Security Interests (and HUD or VA require such approval), and shall terminate absolutely, in any event, no later than thirty (30) days after termination of the 75% Control Period.

Section 3.14. *Merger.*

The Master Declarant hereby reserves the right to merge the Master Association with one or more other common interest communities without the approval of any Member or any other Person. This right shall terminate automatically as provided in Section 1.24 of this Master Declaration.

ARTICLE 4. ASSESSMENTS

Section 4.1. *Personal Obligation for Assessments.*

Each Owner of a Lot, including Master Declarant and each Builder, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees and shall be personally obligated to pay to the Master Association: annual assessments or charges, special assessments, and other charges, fines, fees, interest, late charges, and other amounts, all as provided in this Master Declaration; with such assessments and other amounts to be established and collected as hereinafter provided. The obligation for such payments by each Owner to the Master Association is an independent covenant with all amounts due, from time to time, payable in full when due without notice or demand (except as otherwise expressly provided in this Master Declaration), and without set-off or deduction. All Owners of each Lot shall be jointly and severally liable to the Master Association for the payment of all assessments, fees, charges and other amounts attributable to their Lot. Each amount, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person(s) who was the Owner of such Lot at the time when the amount became due. The personal obligation for delinquent amounts (including assessments) shall not pass to such Owner's successors in title unless expressly assumed by them.

Section 4.2. *Purpose of Assessments.*

The assessments levied by the Master Association shall be used to promote the recreation, health, safety and welfare of the residents of the Lots, and for all of those purposes and activities which may be required of the Master Association or which the Master Association may be empowered to pursue pursuant to this Master Declaration or the Articles of Incorporation or Bylaws of the Master Association, or by law. Assessments levied during the 75% Control Period may not be used for the purpose of constructing capital Improvements.

Section 4.3. *Initial Annual Assessment.*

Until the effective date of a Master Association budget ratified by the Members with a different amount for the annual assessments, as provided above, the amount of the annual assessment against each Lot shall not exceed Twenty-Five and No/100 Dollars (\$25.00) per Lot per month, exclusive of any amounts due to any Subassociation, any district and/or any other Person or entity. However, the rate of assessments paid with respect to the Unfinished Lots may be less than that paid with respect to the other Lots, as provided in the next Section.

Section 4.4. *Rate of Annual and Special Assessments.*

4.4.1. Annual and special assessments shall be sufficient to meet the expected needs of the Master Association and shall be apportioned among the Lots in accordance with their Allocated Interests. Notwithstanding the foregoing, however, the amount of the annual assessment against the Unfinished Lots may be set at a lower rate than the rate of annual assessments against those Lots on which a certificate of occupancy has been issued, as provided in the following sentence. Specifically, the rate of annual assessments against the Unfinished Lots may be less than the rate of annual assessments against the other Lots, pursuant to C R S §38-33.3-315(3)(b), as amended, since the Unfinished Lots do not receive certain benefits, including without limitation the following: the Unfinished Lots do

not receive the same services as the other Lots; and the Unfinished Lots do not receive benefit from the items for which reserves are collected. The annual assessments, except as to the Unfinished Lots (as provided in this Section), shall include an adequate reserve fund for the maintenance, repair and replacement of those items that must be maintained, repaired or replaced on a periodic basis and for the payment of insurance deductibles. The rate of annual assessment against the Unfinished Lots, if it is to be lower than the annual assessments against other Lots, shall be determined by the Board of Directors, from time to time, based on the costs and expenses of the services actually provided to the Unfinished Lots.

4.4.2. During the 75% Control Period, the Master Declarant may in its discretion, but shall not be required to, cover certain costs of the Master Association by payment of any amount(s), which shall constitute an advance against future assessments due from the Master Declarant; provided, however, that any such advances which have not been credited against assessments due from the Master Declarant as of termination of the 75% Control Period shall then be repaid by the Master Association to the Master Declarant, without interest, to the extent that the Master Association has funds in excess of its working capital funds, reserve funds, and operating expenses to date for the calendar year in which the 75% Control Period terminates; and provided further, however, that any of such advances which are not repaid to the Master Declarant shall continue to constitute advances against future assessments due from the Master Declarant until conveyance by the Master Declarant of all of the property described on the attached Exhibit E. If the Master Declarant elects in its discretion to pay any amounts as provided in this subparagraph, Master Declarant shall not, under any circumstances, be obligated to continue payment or funding of any such amount(s) in the future.

Section 4.5. *Date of Commencement of Annual Assessments.*

The annual assessments shall commence at such time as the Board of Directors may determine in its discretion. The amount of the initial annual assessment shall not be greater than the amount set forth in Section 4.3 hereof. After commencement of annual assessments as provided in the first sentence of this Section, annual assessments shall be made no less frequently than annually and shall be based on an annual budget adopted by the Master Association as provided in this Master Declaration. The annual assessments shall be due and payable in monthly installments, in advance, on the first day of each month, or on such other dates, and with such frequency (which may be other than monthly, but not less frequently than annually), as the Board of Directors determines in its discretion from time to time, provided that the first annual assessment shall be adjusted to reflect the time remaining in the first Master Association fiscal year. Any Owner purchasing a Lot between installment due dates shall pay a pro rata share of the last payment due.

Section 4.6. *Special Assessments.*

In addition to the annual assessments authorized in this Article, the Board of Directors may levy, in any fiscal year, with the approval of the votes of two-thirds (2/3rds) of a quorum of the Master Association's votes cast by Members voting in person or by proxy at a meeting duly called for this purpose, a special assessment applicable to that year only, for the purpose of defraying in whole or in part the cost of any construction, repair or replacement of a capital Improvement upon any portion of real property for which the Master Association has repair and/or replacement

obligations, including fixtures and personal property related thereto, or for repair or replacement of any damaged or destroyed Improvements located on said real property, or for the funding of any deficit incurred by the Master Association. Any such special assessment shall be set against each Lot in accordance with the Allocated Interests set forth in this Master Declaration. A meeting of the Members called for the purpose of considering the establishment of a special assessment shall be held in conformance with Section 4.7 hereof. Notwithstanding the foregoing, special assessments levied during the 75% Control Period may not be used for the purpose of constructing capital Improvements.

Section 4.7. *Notice and Quorum for Any Special Assessments.*

Written notice of any meeting called for the purpose of taking any action authorized under Section 4.6 hereof shall be sent to all Members not less than thirty (30) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the Master Association votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 4.8. *Assessments/Charges for Services to Separate Areas of Community.*

The Master Association may, at any time from time to time, provide services to any Subassociation or other area(s) (containing less than all of the Lots) in the Community. If such services are not funded by the Master Association's annual or special assessments, then such services shall be provided, if at all, pursuant to an agreement in writing between the Master Association and such Subassociation or the Owners of the Lots for which such service is to be provided, with such agreement to include a statement and terms for payment of the costs, fees and expenses that are to be paid by such Subassociation or such Owners for such services, and which amounts shall include overhead expenses of the Master Association. Services which may be provided by the Master Association pursuant to this Section may include, without limitation, (a) the construction, care, operation, management, maintenance, upkeep, repair, replacement and renovation of Improvements or property owned by such Subassociation or Owner(s); (b) the provision of any services or functions to such area or Subassociation, such as trash removal; (c) the enforcement of the provisions of any Supplemental Declaration or any other document or agreement for, on behalf of, and in the name of the Subassociation or applicable Owners; (d) the collection of assessments for, in the name of, and on behalf of any Subassociation; (e) the payment of taxes or other amounts for a Subassociation or Owners with funds provided by such Subassociation or Owners; (f) the procurement of insurance for a Subassociation or Owners; (g) the collection of charges for use of facilities; and (h) the appointment and supervision of a manager(s) for a Subassociation or other area.

Section 4.9. *Lien for Assessments.*

4.9.1. The Master Association has a statutory lien on a Lot for any amount levied against that Lot or the Owner(s) thereof, including for fines imposed against the Lot's Owner(s). Fees, charges, late charges, attorney fees, fines and interest charged pursuant to this Master Declaration are enforceable as assessments under this Article. The amount of

the lien shall include all those items set forth in this Section from the time such items become due. If an assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Master Association acceleration of installment obligations.

4.9.2. Recording of this Master 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 Master Association may prepare, and record in the county in which the applicable Lot is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Lot, and a description of the Lot. If a lien is filed, the costs and expenses thereof shall be added to the assessments for the Lot against which it is filed and collected as part and parcel thereof. The Master Association's lien may be foreclosed in like manner as a mortgage on real estate.

4.9.3. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of assessments becomes due.

Section 4.10. *Priority of Master Association Lien.*

4.10.1. A lien under this Article is prior to all other liens and encumbrances on a Lot except:

4.10.1.1. Liens and encumbrances recorded before the recordation of the Master Declaration;

4.10.1.2. A Security Interest on the Lot which has priority over all other security interests on the Lot and which was recorded before the date on which the assessment sought to be enforced became delinquent; and

4.10.1.3. Liens for real estate taxes and other governmental assessments or charges against the Lot.

4.10.2. A lien under this Section is also prior to the Security Interests described in the preceding subsection 4.10.1.2 to the extent, if any, provided in CCIOA.

4.10.3. This Section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the Master Association.

4.10.4. The Master Association's lien on a Lot for assessments and other amounts shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to land subject to this Master Declaration shall constitute a waiver of the homestead and any other exemption as against said Master Association lien.

Section 4.11. *Certificate of Status of Assessments.*

The Master Association shall furnish to an Owner or such Owner's designee or to a Security Interest Holder or its designee, upon written request delivered personally or by certified mail, first class postage prepaid, return receipt, to the Master Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Lot. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Master Association, the Board of Directors, and every Owner. If no statement is furnished to the Owner or Security Interest Holder or their designee, delivered personally (including delivery by telefax) or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party, then the Master Association shall have no right to assert a lien upon the Lot for unpaid assessments which were due as of the date of the request. The Master Association shall have the right to charge a reasonable fee for the issuance of such certificates.

Section 4.12. *Effect of Non-Payment of Assessments; Remedies of the Master Association.*

Any assessment not paid within ten (10) days after the due date thereof may bear interest from the due date at the rate of twenty-one percent (21%) per annum, or at any lesser rate, if any lesser rate is at any time set by the Board of Directors, and the Board of Directors may charge a monthly late charge thereon. The Master Association may bring an action at law against the Owner(s) personally obligated to pay the same, or foreclose the lien against such Owner's Lot. If a judgment or decree is obtained, including without limitation, in a foreclosure action, such judgment or decree shall include reasonable attorney's fees to be fixed by the court, together with the costs of the action, and may include interest and late charges, as above provided. No Owner may be exempt from liability for payment of assessments by waiver of the use or enjoyment of any of the Common Elements or Common Area, or by abandonment of the Lot against which the assessments are made, or because of dissatisfaction with the Master Association or its performance. This Article does not prohibit actions or suits to recover sums for which this Master Declaration creates a lien, nor does this Article prohibit the Master Association from taking a deed in lieu of foreclosure.

Section 4.13. *Surplus Funds.*

Any surplus funds of the Master Association remaining after payment of or provision for Master Association expenses, and any prepayment of or provision for reserves, shall be retained for use by the Master Association and need not be paid to the Owners or credited to them.

Section 4.14. *Working Capital Fund.*

The Master Association shall require the first Owner (other than the Master Declarant or a Builder) of any Lot who purchases that Lot from the Master Declarant or a Builder, to make a non-refundable contribution to the Master Association in an amount equal to three (3) times the then current monthly installment of the annual assessment (regardless of whether or not annual assessments have commenced as provided in Section 4.5 hereof). Said contribution shall be collected and transferred to the Master Association at the time of closing of the sale by Master Declarant or a Builder of each Lot and shall be for the use and benefit of the Master Association, including, without limitation, to meet expenditures or to purchase equipment, property or services. Such contribution to the working capital fund shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of his Lot, an Owner shall be

entitled to a credit from his transferee (but not from the Master Association) for the aforesaid contribution to working capital fund.

Section 4.15. *Other Charges.*

The Master Association may levy and assess charges, costs and fees for matters such as, but not limited to, the following, in such reasonable amounts(s) as the Board of Directors may determine in its discretion at any time from time to time, including reimbursement of charges that are made to the Master Association by its managing agent or other Person: copying of Master Association or other documents; return checks; telefaxes; long distance telephone calls; transfer charges or fees upon transfer of ownership of a Lot; notices and demand letters; and other charges incurred by the Master Association for or on behalf of any Owner(s). All such charges, costs and fees shall be in addition to the assessments levied by the Master Association, but shall be subject to all of the Master Association's rights with respect to the collection and enforcement of assessments.

Section 4.16. *Assessments for Misconduct.*

If any Master Association expense is caused by the misconduct of any Owner, as determined by the Board of Directors, the Master Association may assess that Master Association expense exclusively against such Owner and his Lot.

ARTICLE 5. ARCHITECTURAL REVIEW COMMITTEE

Section 5.1. *Composition of Committee.*

The Architectural Review Committee shall consist of three (3) or more persons appointed by the Board of Directors; provided, however, that until automatic termination of the Special Master Declarant Rights as provided in Section 1.24 of this Master Declaration, the Master Declarant may appoint the Architectural Review Committee. The power to "appoint" as provided herein, shall include without limitation the power to: constitute the initial membership of the Architectural Review Committee; appoint member(s) to the Architectural Review Committee on the occurrence of any vacancy therein, for whatever reason; and remove any member of the Architectural Review Committee, with or without cause, at any time, and appoint the successor thereof. Each such appointment may be made for such term(s) of office, subject to the aforesaid power of removal, as may be set from time to time in the discretion of the appointor. The terms of office of all then-current members of the Committee who were appointed by the Master Declarant shall automatically terminate at such time as the Master Declarant's power to appoint members of the Committee expires.

Section 5.2. *Review and Approval by Committee; Requirement for Approval by Governmental Entities.*

5.2.1. Except as provided in Section 5.16 hereof, no Improvements shall be constructed, erected, placed, planted, applied or installed upon any Lot unless complete plans and specifications therefor (said plans and specifications to show exterior design, height, materials, color, and location of the Improvements, plotted horizontally and vertically, location and size of driveways, location, size and type of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may

be required by the Committee), shall have been first submitted to and approved in writing by the Architectural Review Committee

5.2.2. The Architectural Review Committee shall exercise its reasonable judgment to the end that all proposed Improvements conform to and harmonize with the existing surroundings and Improvements. In its review of such plans, specifications and other materials and information, the Architectural Review Committee may require that the applicant(s) reimburse the Committee for the actual expenses incurred by the Committee in the review and approval process. Such amounts, if any, shall be levied in addition to the assessments against the Lot for which the request for approval was made, but shall be subject to the Master Association's lien for assessments and subject to all other rights of the Master Association for the collection of such assessments, as more fully provided in this Master Declaration.

5.2.3. In addition to the required approvals by the Architectural Review Committee as provided in this Article, the construction, erection, addition, deletion, change or installation of any Improvements shall also require the applicant to obtain the approval of all governmental entities with jurisdiction thereover, and issuance of all required permits, licenses and approvals by all such entities. Without limiting the generality of the preceding sentence, issuance of building permit(s) by the City of Thornton, Colorado, if required, shall be a precondition to commencement of any construction or alteration of, addition to or change in any Improvement.

Section 5.3. *Design Guidelines and Standards.*

The Architectural Review Committee has the authority to, at any time from time to time, enact, issue, promulgate, modify, amend, repeal, re-enact, and enforce, design or architectural guidelines and standards to interpret and implement the provisions of this Article and the Master Declaration. Without limiting the generality of the foregoing, such guidelines and/or standards may contain provisions to clarify the criteria for approval of certain Improvements, (e.g. the design, material, size, location, etc.), may state the procedural requirements for submissions to the Committee, and may provide for blanket approvals, interpretations or restrictions on Improvements. By way of example, and not by way of limitation, such provisions may state that a certain type of screen door will be acceptable and will not require approval, or may state that certain types of fences are considered pre-approved (as long as such fences are in an approved location and comply with the applicable guidelines and/or standards) and that no other type of fences will be approved by the Committee. The Committee shall have the authority to enact, issue, promulgate, modify, amend, repeal, re-enact, and enforce separate guidelines and standards that govern the different types of dwelling units and/or Lots in the Community. Any guidelines, rules and regulations of the Committee shall be consistent, and not in conflict, with this Article and any other applicable provisions of this Master Declaration.

Section 5.4. *Procedures.*

The Architectural Review Committee shall decide each request for approval within sixty (60) days after the complete submission of all the plans, specifications and other materials and information which the Committee may require in conjunction therewith. If the Architectural Review Committee fails to decide any request within sixty (60) days after the complete submission

of all the plans, specifications, materials and other information with respect thereto, then the request for approval shall be deemed to have been denied.

Section 5.5. *Vote and Appeal.*

A majority vote of the Architectural Review Committee is required to approve a request for approval pursuant to this Article, unless the Committee has appointed a representative to act for it, in which case the decision of such representative shall control. In the event a representative acting on behalf of the Architectural Review Committee decides a request for approval, then any Owner shall have the right to an appeal of such decision to the full Committee, upon a request therefor submitted to the Committee within ten (10) days after such decision by the Committee's representative.

Section 5.6. *Prosecution of Work After Approval.*

After approval of any proposed Improvement, the proposed Improvement shall be accomplished as promptly and diligently as possible and in complete conformity with the terms and conditions of the approval. Failure to complete the proposed Improvement within one (1) year after the date of approval of the application therefor (or such longer time as may be granted in writing by the Committee in its discretion) or to complete the Improvement in complete conformance with terms and conditions of the approval, shall constitute noncompliance with the requirements for approval of Improvements by the Architectural Review Committee.

Section 5.7. *Notice of Completion.*

Upon completion of the Improvement, the applicant for approval of the same ("Applicant") shall give a written "Notice of Completion" to the Architectural Review Committee. Until the date of receipt of such a Notice of Completion, the Architectural Review Committee shall not be deemed to have notice of completion of the Improvement on which approval has been sought and granted as provided in this Article.

Section 5.8. *Inspection of Work.*

The Architectural Review Committee or its duly authorized representative shall have the right to inspect any Improvement prior to or after completion in order to determine whether or not the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Article; provided, however, that the right of inspection shall terminate sixty (60) days after the Architectural Review Committee shall have received a Notice of Completion from the Applicant

Section 5.9. *Notice of Noncompliance.*

If, as a result of inspections or otherwise, the Architectural Review Committee finds that any Improvement has been done without obtaining the approval of the Architectural Review Committee or was not done in substantial compliance with terms and conditions of the approval that was granted, or was not completed within one (1) year after the date of approval, subject to any extensions of time granted pursuant to Section 5.6 hereof, the Architectural 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 Architectural Review Committee receives a Notice of

Completion from the Applicant ("Notice of Noncompliance"). The notice shall specify the particulars of the noncompliance.

Section 5.10. *Correction of Noncompliance.*

If the Committee determines that a noncompliance exists, the Applicant shall remedy or remove (and return the subject property or structure to its original condition) the same within a period of not more than thirty (30) days from the date of receipt by the Applicant of the ruling of the Committee. If the Applicant does not comply with the Committee ruling within such period, the Committee may, at its option, record a Notice of Noncompliance against the property on which the noncompliance exists, may remove the non-complying Improvement or may otherwise remedy the noncompliance, and the Applicant shall reimburse the Committee, upon demand, for all costs and expenses incurred with respect thereto. The right of the Committee to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Committee may have at law, in equity, or under this Master Declaration.

Section 5.11. *Variance.*

The Architectural Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or Article 10 of this Master Declaration, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood and shall not militate against the general intent and purpose hereof.

Section 5.12. *Waivers; No Precedent.*

The approval or consent of the Architectural Review Committee, or any representative thereof, to any application for approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the Committee or any representative thereof, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

Section 5.13. *Records.*

The Architectural Review Committee shall maintain written records of all applications submitted to it and all actions taken by it thereon for such period of time as may be determined by the Board of Directors from time to time, and such records shall be available to Members for inspection at reasonable hours of the business day.

Section 5.14. *Liability.*

Neither the Architectural Review Committee, nor any members thereof, shall be liable in equity or damages to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within their jurisdiction hereunder. In reviewing any matter, the Architectural Review Committee shall not be responsible for the safety, whether structural or otherwise, of any item(s) submitted for review, nor the conformance with applicable building codes or other governmental

laws or regulations, and any approval of an Improvement by the Architectural Review Committee shall not be deemed an approval of any such matters. No Member or other Person shall be a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval or disapproval granted by the Architectural Review Committee.

Section 5.15. *Delegation (and Acceptance) of Review and Approval.*

The Master Declarant, during the time when the Master Declarant has the right to appoint the Architectural Review Committee, and the Board thereafter, may delegate any or all review and/or approval functions pursuant to this Master Declaration to a design review committee appointed by any Subassociation, and may accept from a design review committee, or any similar committee, appointed by any Subassociation, delegation of any or all review and/or approval functions of such design review committee. The party with the right to appoint the design review committee may, at any time, determine to reclaim the delegated rights. To reclaim the delegated rights, written notice must be given to the board of directors of any association to which such rights were delegated, that such right is being reclaimed by the Master Association or the Subassociation, as the case may be, and the reclamation shall be effective upon receipt of the notice by the Board of Directors of the Master Association or the Subassociation, as applicable. No delegation of design review and/or approval to any Subassociation shall constitute a waiver of the Master Association's right of review and/or approval as provided in this Master Declaration.

Section 5.16. *Exemption of Master Declarant and Certain Builders.*

Notwithstanding anything to the contrary contained in this Master Declaration, the Master Declarant shall be exempt from the provisions of this Article 5 (except for Section 5.2.3. of this Master Declaration). In addition, the Master Declarant may at any time, from time to time, designate one or more Builders to also be exempt from the provisions of this Article 5 if such Builder submits plans and specifications for construction of Improvements on a Lot to the Master Declarant for approval and constructs all Improvements in accordance with plans and specifications approved by the Master Declarant; provided, however, that the Master Declarant may, at any time in its discretion, withdraw such designation.

ARTICLE 6. INSURANCE

Section 6.1. *Insurance.*

The Master Association shall maintain insurance in connection with the Common Elements. The Master Association shall maintain insurance as required by applicable law or applicable regulation, including CCIOA, which insurance shall include, without limitation, property insurance, commercial general liability insurance and fidelity coverage. In addition, the Master Association may maintain insurance against such other risks as the Board of Directors may elect from time to time, including, but not limited to, personal liability insurance to protect directors and officers of the Master Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Master Association, and may maintain insurance on such other property and/or against such other risks as the Board of Directors may elect, in its discretion from time to time.

Section 6.2. *Worker's Compensation Insurance.*

Subject to the following sentence, if the Master Association performs any work to or on a Lot or the structure(s) thereon, including without limitation any maintenance, repair or replacement, the Master Association shall obtain and maintain worker's compensation insurance. The Master Association need not carry worker's compensation insurance if the work performed by or on behalf of the Master Association is performed by a Person who carries worker's compensation insurance and the Master Association has obtained proof of such insurance. All policies of worker's compensation insurance shall be in conformance with state law.

Section 6.3. *General Provisions of Insurance Policies.*

Except for worker's compensation insurance which shall comply with Section 6.2 hereof, all policies of insurance carried by the Master Association shall comply with this Section. All policies of insurance carried by the Master Association shall be carried in blanket policy form naming the Master Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Master Association. Additionally, each Owner and each Security Interest Holder shall be beneficiaries of the policy in a percentage equal to the Owner's Allocated Interest. The policy or policies shall contain a standard non-contributory Security Interest Holder's clause in favor of each Security Interest Holder and a provision that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days prior written notice thereof is given to the insured and each Security Interest Holder, insurer or guarantor of a Security Interest. The Master Association shall furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest, including Security Interest Holders, upon request. All policies of insurance carried by the Master Association shall also contain waivers of subrogation. Further, all policies of insurance carried by the Master Association shall also contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not under the control of the Master Association.

Section 6.4. *Deductibles.*

The Master Association may adopt and establish written non-discriminatory policies and procedures relating to the responsibility for deductibles. Any loss, or any portion thereof, which falls within the deductible portion of a policy that is carried by the Master Association, shall be borne by the Person who is responsible for the repair and maintenance of the property which is damaged or destroyed, may be apportioned among the Persons sharing in a joint duty of repair and maintenance, and/or may be partly or wholly borne by the Master Association, and/or may be shared by any such Person(s) and the Master Association at the election of the Board of Directors. Notwithstanding the foregoing, after notice and hearing, the Master Association may determine that a loss, either in the form of a deductible to be paid by the Master Association or an uninsured loss, resulted from the act or negligence of one or more Owners. Upon said determination by the Master Association, any such loss, or any portion thereof, may be assessed to the Owner(s) in question and the Master Association may collect such amount(s) from said Owner(s) in the same manner as any assessment.

Section 6.5. *Payment of Insurance Proceeds.*

Any loss covered by an insurance policy described in Section 6.1 hereof, must be adjusted with the Master Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Master Association, and not to any Security Interest Holder. The insurance trustee or the Master Association shall hold any insurance proceeds in trust for the Master Association, Owners and Security Interest Holders as their interests may appear. Subject to the provisions of Section 7.1 of this Master Declaration, the proceeds must be disbursed first for the repair or replacement of the damaged property; and the Master Association, Owners and Security Interest Holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or replaced and any budget or reserve deficit has been funded, or unless the Community is terminated.

Section 6.6. *Master Association Insurance as Primary Coverage.*

If at the time of any loss under any policy which is in the name of the Master Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Master Association policy, such Master Association policy shall be primary insurance not contributing with any of such other insurance. An Owner shall be liable to the Master Association for the amount of any diminution of insurance proceeds to the Master Association as a result of policies of insurance of an Owner, and the Master Association may collect the amount from said Owner in the same manner as any assessment. Any such Owner's policy shall also contain waivers of subrogation.

Section 6.7. *Acceptable Insurance Companies.*

Each insurance policy purchased by the Master Association must be written by an insurance carrier that is authorized by law to do business in the State of Colorado. The Master Association shall not obtain any policy where (a) under the terms of the insurance company's charter, bylaws, or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee, or (b) under the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or any Owner from collecting insurance proceeds

Section 6.8. *Insurance to be Maintained by Owners.*

An insurance policy issued to the Master Association does not obviate the need for Owners to obtain insurance for their own benefit. Insurance coverage on each Owner's Lot and the Improvements thereon (unless a Subassociation, if any, with jurisdiction over such Lot elects in its discretion to carry such insurance), which provides replacement cost coverage, as well as on personal property belonging to an Owner, and public liability insurance coverage on each Lot, shall be the responsibility of the Owner of such Lot.

ARTICLE 7. DAMAGE OR DESTRUCTION

Section 7.1. *Damage or Destruction.*

7.1.1. Any portion of the Community for which casualty insurance is required to be carried by the Master Association under this Master Declaration which is damaged or destroyed must be repaired or replaced promptly by the Master Association unless:

7.1.1.1 The Community is terminated; or

7.1.1.2. Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or

7.1.1.3. Members casting sixty-seven percent (67%) of the Master Association votes, including the vote for each Lot that has a dwelling unit that will not be rebuilt, vote not to rebuild; or

7.1.1.4 Prior to conveyance of any Lot to a Person other than the Master Declarant, a Security Interest Holder of a Security Interest on the damaged portion of the Community rightfully demands all or a substantial part of the insurance proceeds.

7.1.2. The cost of repair or replacement that is covered by insurance carried by the Master Association, but which is in excess of insurance proceeds and reserves, is a Master Association expense. If the entire Community is not repaired or replaced, the insurance proceeds attributable thereto must be used to restore the damaged area to a condition compatible with the remainder of the Community and, except to the extent that other Persons will be distributees, the remainder of the proceeds must be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the assessment liability of all the Lots. If the Members vote not to rebuild any Lot, that Lot's Allocated Interest is automatically reallocated upon the vote as if the Lot had been condemned as provided in Section 12.14 of this Master Declaration, and the Master Association promptly shall prepare, execute and record an amendment to the Master Declaration reflecting such reallocations.

Section 7.2. *Lots.*

Except as otherwise provided in Section 7.1 hereof, any damage to or destruction of any structure located on a Lot shall be promptly repaired and replaced by the Owner(s) thereof. "Repaired and replaced," as used in this Section, shall mean restoring the structure to substantially the same condition in which it existed immediately prior to such damage or destruction, including having the same boundaries as before. If the Owner(s) of a Lot do not commence repair or replacement activities within a reasonable time, as provided above, and diligently pursue the same in conformance with the plans approved by the Architectural Review Committee then, in accordance with and subject to the provisions of Section 8.3 of this Master Declaration, the Master Association may, in its reasonable discretion, enter upon the Lot for the purpose of completing such repair and replacement.

ARTICLE 8. EXTERIOR MAINTENANCE

Section 8.1. *Worker's Compensation Insurance.*

The Master Association shall carry, or shall ensure that its contractors carry, worker's compensation insurance as provided in Article 6 at any time that the Master Association performs, or causes to be performed, any maintenance, repair or replacement activities.

Section 8.2. *General.*

8.2.1. Maintenance, repair and replacement of the Common Elements and all Improvements located thereon, those portions of the publicly-dedicated rights of way of Colorado Boulevard and Welby Road adjacent to the Community, and any drainage structure or facilities, or other public Improvements required by the local governmental entity as a condition of development of the Community or any part thereof, shall be the responsibility of the Master Association unless such Improvements have been dedicated to and accepted by the local governmental entity for the purpose of maintenance, repair and replacement or unless such maintenance, repair and replacement has been authorized by law to be performed by a special district or other municipal or quasi-municipal entity. Further, the Master Association may provide such other maintenance, repair and replacement as the Board of Directors deems appropriate from time to time, including without limitation, any other publicly dedicated property and Improvements located thereon. The costs, expenses, fees, and other amounts to be expended for the maintenance, repair and replacement that is provided for in this subsection shall, subject to Section 8.5, be collected by the Master Association as assessments and paid as Master Association expenses.

8.2.2. The maintenance, repair and replacement of each portion of the Common Area shall be as provided in the Supplemental Declaration that includes such Common Area.

8.2.3. The Owner of each Lot shall provide all maintenance, repair and replacement thereof and of the Improvements thereon (except to the extent, if any, that a Subassociation is assigned any such duties).

Section 8.3. *Master Association's Right to Repair, Maintain and Replace.*

In the event any Owner(s) shall fail to perform his maintenance, repair and/or replacement obligations in a manner satisfactory to the Board of Directors, the Master Association may, if said failure continues for a thirty (30) day period after written notice to said Owner(s) by the Board, enter upon said Lot subsequent to the expiration of said thirty (30) day time period to perform any or all of such maintenance, repair or replacement. The cost of such maintenance, repair and/or replacement shall be the personal obligation of the Owner(s) of the Lot on which such work is performed, and shall be subject to all of the terms and provisions applicable to assessments as provided in Article 4 of this Master Declaration, including without limitation, interest, late charges, attorney's fees and lien rights.

Section 8.4. *Maintenance of and Non-Interference with Grade and Drainage; Some Irrigation Recommendations Around Foundations and Slabs.*

8.4.1. Each Owner shall maintain the grading on his Lot (including grading around the building foundation), and the Master Association shall maintain the grading on the Common Elements, at the slope and pitch fixed by the final grading thereof, including landscaping and maintenance of the slopes, so as to maintain the established drainage. Each Owner and the Master Association agree, for themselves and their, heirs, personal representatives, successors and assigns, that they will not in any way interfere with or obstruct the established drainage pattern over any real property which they have a duty to maintain, from adjoining or other real property. In the event that it is necessary or desirable to change the established drainage over any Lot or the Common Elements, then the party responsible for the maintenance of such real property shall submit a plan to the Architectural Review Committee for its review and approval in accordance with Article 5 of this Master Declaration, and any such change shall also be made in accordance with all laws, regulations and resolutions of any applicable governmental entities. For purposes of this Section, "established drainage" is defined as the drainage that exists at the time final grading by the Master Declarant is completed.

8.4.2. The Owner of a Lot should not plant flower beds (especially annuals), vegetable gardens and other landscaping which requires regular watering, within five (5) feet of the foundation of the dwelling unit or any slab on the Lot. If evergreen shrubbery is located within five (5) feet of any foundation wall or slab, then the Owner of the Lot should water such shrubbery by "controlled hand-watering," and should avoid excessive watering. Further, piping and heads for sprinkler systems should not be installed within five (5) feet of foundation walls and slabs.

Section 8.5. *Owner's Acts or Omissions.*

Notwithstanding anything to the contrary contained in this Master Declaration, in the event that the need for maintenance, repair or replacement of or within any property for which the Master Association has an obligation to maintain, repair or replace, any Lot, or any Improvements located thereon, is caused by the act or omission of any Owner, or by the act or omission of any member of such Owner's family or by a tenant, guest or invitee of such Owner, the cost of such repair, maintenance, replacement or expense to avoid such damage shall be the personal obligation of such Owner to the extent that said Owner would be liable for the acts of such Persons under the laws of the State of Colorado; and any costs, expenses and fees incurred by the Master Association for such maintenance, repair or replacement shall be added to the assessment to which such Owner's Lot is subject and shall be subject to all of the terms and provisions of Article 4 of this Master Declaration. A determination of the act or omission of any Owner, or any member of an Owner's family or a tenant, guest or invitee of any Owner, and the amount of the Owner's liability therefor, shall be determined by the Master Association at a hearing after notice to the Owner, provided that any such determination which assigns liability to any Owner pursuant to the terms of this Section may be appealed by said Owner to a court of law.

ARTICLE 9. EASEMENTS

Section 9.1. *Other Easements.*

In addition to any other easements that may be granted or reserved elsewhere in this Master Declaration, the following Sections describe easements to which the Community is or may be subject.

Section 9.2. *Access Easement.*

Each Lot shall be subject to an easement in favor of the Master Association and the Owners, including the agents, employees and contractors thereof, for performing maintenance, repair and/or replacement or other services as provided in this Master Declaration, including without limitation, maintenance, repair and/or replacement pursuant to Section 8.3 of this Master Declaration. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on the Common Elements, any other property, or any Lot, the Owner responsible for the damage or expense to avoid damage, or the Master Association if it is responsible, is liable for the cost of prompt repair. Further, the rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Lot; except that no such notice shall be required in connection with any exterior, non-intrusive maintenance; and except that in emergency situations entry upon a Lot may be made at any time provided that the Owner(s) or occupant(s) of each affected Lot shall be warned of impending emergency entry as early as is reasonably possible. The interior of any dwelling unit located on a Lot shall not be subject to the easements provided for in this Section.

Section 9.3. *Utilities Easement.*

The Master Declarant hereby reserves a blanket easement upon, across, over and under the Common Elements and Common Area for utilities and the installation, replacement, repair and maintenance of utilities, including, but not limited to, water, sewer, gas, telephone, electricity, computer cable, and television antenna or cable or satellite television systems, if any. By virtue of this blanket easement it shall be expressly permissible to erect and maintain the necessary facilities, equipment and appurtenances on the Common Elements and Common Area, and to affix, repair, and maintain water and sewer pipes, gas, electric, telephone, computer and television wires, cables, circuits, conduits and meters. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, Master Declarant reserves and is hereby given the right and authority to grant such easement upon, across, over or under any part or all of the Common Elements and/or Common Area without conflicting with the terms hereof; provided, however, that such right and authority in the Master Declarant shall automatically cease at such time as the Special Master Declarant Rights terminate as provided in Section 1.24 of this Master Declaration, at which time said reserved right shall vest in the Master Association. The easement provided for in this Section shall in no way affect, avoid, extinguish or modify any other recorded easement(s) on the Common Elements.

Section 9.4. *Easement for Encroachments.*

To the extent that any Improvement on a Lot, or on the Common Elements or Common Area, encroaches on any other Lot, Common Elements or Common Area, a valid easement for the encroachment exists.

Section 9.5. *Drainage Easement.*

Master Declarant hereby reserves, to itself and to the Master Association, easements for drainage or drainage facilities across the five (5) rear and five (5) side feet of each Lot; provided, however, that if the primary structure on a Lot is located upon any of the areas described in this sentence, then such easement shall be reduced in width to the width of the distance from the nearest Lot line to the exterior wall of such primary structure that is nearest to such Lot line. Except for the primary structures located on a Lot as provided in the preceding sentence; no Improvements shall be placed or permitted to remain on any Lot, nor shall any change in grading be permitted to exist, which may change the direction of flow or obstruct or retard the flow of water through channels or swales within such rear and side yard drainage easements. Master Declarant reserves to itself and to the Master Association the right to enter in and upon each five (5) foot rear and side yard drainage easements, at any time, to construct, repair, replace or change drainage structures or to perform such grading, drainage or corrective work as Master Declarant or the Master Association may deem necessary or desirable in their sole discretion from time to time; provided, however, that such right and authority in the Master Declaration shall automatically terminate at such time as the Special Master Declarant Rights terminate as provided in Section 1 24 of this Master Declaration, at which time said reserved right shall vest solely in the Master Association.

Section 9.6. *Easement for Unannexed Property.*

The Master Declarant hereby reserves, for the use and benefit of the Annexable Area, a non-exclusive, perpetual easement and right-of-way for pedestrian and vehicular access, ingress and egress, on, over and across the roads, driveways, streets, sidewalks, accessways and similar Common Elements and Common Area, now or hereafter constructed, erected, installed or located in or on the Community, and on, over, across and under the Common Elements and Common Area for utilities and the construction, location, erection, installation, storage, maintenance, repair, renovation, replacement and use of any utilities Improvements that may now or hereafter serve the Annexable Area or any portion thereof (herein the "Annexable Area Easement"). By virtue of this Annexable Area Easement, the Master Declarant generally intends to provide for pedestrian and vehicular access and for utilities services, to those portion(s) of the Annexable Area which have not been included, from time to time, in the Community pursuant to Section 12 5 of this Master Declaration. Hence, the Annexable Area Easement shall be in effect for each portion of the Annexable Area, from and after recording of this Master Declaration, but shall cease to be effective as to each portion of the Annexable Area at such time as both of the following have occurred with respect to such portion of the Annexable Area: annexation of such portion of the Annexable Area to this Master Declaration pursuant to the aforesaid Section; and expiration of the Master Declarant's right to withdraw such portion of the Annexable Area from this Master Declaration.

ARTICLE 10. RESTRICTIONS

Section 10.1. *General Plan; Restrictions Imposed.*

It is the intention of the Master Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Community. This Community is subject to the recorded easements, licenses, and other matters listed on Exhibit D attached hereto and incorporated herein by this reference, as well as all provisions of any plat and/or final development plan applicable to the Community or any portion thereof. In addition, the Master Declarant

declares that Community (including all of the Lots therein) shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Master Declaration

Section 10.2. *Residential Use; Professional or Home Occupation.*

Subject to Section 12.8 of this Master Declaration, Lots shall be used for residential use only, including those uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes. Notwithstanding the foregoing, however, Owners may conduct business activities within their homes provided that all of the following conditions are satisfied:

10.2.1. The business conducted is clearly secondary to the residential use of the home and is conducted entirely within the home;

10.2.2. The existence or operation of the business is not detectable from outside of the home by sight, sound, smell or otherwise, or by the existence of signs indicating that a business is being conducted;

10.2.3. The business does not result in an undue volume of traffic or parking within the Community, which determination shall be made by the Board of Directors in its sole discretion from time to time;

10.2.4. The business conforms to all zoning requirements and is lawful in nature; and

The business conforms to any rules and regulations that may be imposed by the Board of Directors from time to time on a uniform basis

Section 10.3. *Household Pets.*

No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in or on the Lots; provided, however, that the Owners of each Lot or their tenants may keep a reasonable number of dogs, cats or other domestic animals which are bona fide household pets, so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Lots. The Master Association shall have, and is hereby given, the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance, or that an Owner or an Owner's tenant is otherwise in violation of the provisions of this Section, and to take such action(s) as it may deem appropriate to correct the same. An Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Master Association as a result of such pets, and any such costs and damages shall be subject to all of the Master Association's rights with respect to the collection and enforcement of assessments as provided in Article 4 of this Master Declaration

Section 10.4. *Temporary Structures; Unsightly Conditions.*

Except as hereinafter provided, no structure of a temporary character, including, but not limited to, a house trailer, tent, shack, storage structure (except as otherwise provided in Section 10.5.8 hereof) or outbuilding shall be placed or erected upon any Lot; provided, however, that during the actual construction, alteration, repair or remodeling of a structure or other Improvements, necessary temporary structures for storage of materials may be erected and maintained by the Master Declarant or a Person doing such work. The work of constructing, altering or remodeling any structure or other Improvements shall be prosecuted diligently from the commencement thereof until the completion thereof. Further, no unsightly conditions, structures, facilities, equipment or objects shall be so located on any Lot as to be visible from a street or from any other Lot.

Section 10.5. *Miscellaneous Improvements.*

10.5.1. No advertising or signs of any character shall be erected, placed, permitted, or maintained on any Lot other than a name plate of the occupant and a street number, and except for a "For Sale," "Open House," "For Rent" or security sign(s) of not more than a total of five (5) square feet in the aggregate. Notwithstanding the foregoing, reasonable signs, advertising, or billboards used by the Master Declarant and/or any Builder (with the written consent of the Master Declarant) in connection with the sale or rental of the Lots, or otherwise in connection with development of or construction on the Lots, shall be permissible.

10.5.2. No clotheslines, drying yards, service yards, wood piles or storage areas shall be so located on any Lot as to be visible from a street, from the ground level of any other Lot or from the Common Elements or Common Area

10.5.3. No type of refrigerating, cooling or heating apparatus shall be permitted on a roof or to protrude from a window and no such apparatus shall be permitted elsewhere on a Lot except when appropriately screened and approved by the Architectural Review Committee, subject to any provisions of any guidelines or standards adopted by the Architectural Review Committee. Without limiting the foregoing, conventional air conditioning units located on the ground of a Lot are permissible when approved in accordance with the preceding sentence.

10.5.4. Except as may otherwise be permitted by the Architectural Review Committee, subject to any provisions of any guidelines or standards adopted by the Architectural Review Committee, no exterior radio antennae, television antennae, or other antennae, satellite dish, or audio or visual reception device of any type shall be placed, erected or maintained on any Lot, except inside a dwelling unit or otherwise concealed from view; provided, however, that any such devices may be erected or installed by the Master Declarant during its sales or construction upon the Lots; and provided further, however, that the requirements of this subsection shall not apply to those "antennae" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended from time to time. As to "antennae" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended, the Master Association shall be

empowered to adopt rules and regulations governing the types of "antennae" (including certain satellite dishes) that are permissible hereunder and, to the extent permitted by the Telecommunications Act of 1996 and/or applicable regulations, as amended, establishing reasonable, non-discriminatory restrictions or requirements relating to appearance, safety, location and maintenance.

10.5.5. No fences shall be permitted, except those fences approved in writing by the Architectural Review Committee (which shall include any fences deemed to be approved when constructed, erected, placed, located or installed in complete conformity with the provisions of any guidelines or standards adopted by the Architectural Review Committee) and except such fences as may be constructed, erected, placed, located or installed by the Master Declarant in its development of, or construction of, Improvements in the Community.

10.5.6. No wind generators shall be constructed, installed, erected or maintained on any Lot.

10.5.7. No dog runs shall be permitted on Lots, except those dog runs approved in writing by the Architectural Review Committee (which shall include any dog runs deemed to be approved when constructed, erected, placed, located or installed in complete conformity with the provisions of any guidelines or standards adopted by the Architectural Review Committee).

10.5.8. Notwithstanding Section 10.4 hereof, permanent storage sheds shall be permitted on Lots, but only with the prior approval of the Architectural Review Committee, (which shall include any storage sheds deemed to be approved when constructed, erected, placed, located or installed in complete conformity with the provisions of any guidelines or standards adopted by the Architectural Review Committee).

Section 10.6. *Vehicular Parking, Storage and Repairs.*

10.6.1. No house trailer, camping trailer, boat trailer, hauling trailer, jet ski, boat, or accessories thereto, truck (excluding pickup trucks that are 1 ton or less), self-contained motorized recreational vehicle, or other type of recreational or commercial vehicle or equipment, may be parked or stored on a Lot unless such parking or storage is entirely within the garage area of any Lot or will be suitably screened from view in accordance with the requirements, and prior written approval of, the Architectural Review Committee (subject to subject to any provisions of any guidelines or standards adopted by the Architectural Review Committee). However, 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 that are necessary for construction or maintenance of any portion of the Community or any Improvements located thereon.

10.6.2. Except as otherwise provided in this and the next sentence, no recreational vehicles, or disassembled or partially disassembled vehicles of any type, shall be parked, stored, maintained, or used on any Lot (unless such parking or storage will be within the fully enclosed garage of a Lot). However, recreational vehicles may be

temporarily parked for a maximum of three (3) consecutive days in the driveway of a Lot. Recreation vehicles shall include, but not be limited to, motor homes, pick-up trucks with camper shells, trailers, motorcycles, motorbikes, snowmobiles, jet skis, all-terrain vehicles, and other apparatus intended for use on land, water, or in the air, and the trailers used for their transportation.

10.6.3. Except as provided above, no abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked in the Community. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, or other similar vehicle, which has not been driven under its own propulsion for a period of seventy-two (72) hours or longer, or which does not have an operable propulsion system installed therein, or which is not then currently registered and licensed; provided, however, that otherwise permitted vehicles parked by Owners while on vacation (for a maximum of two (2) weeks) or during a period of illness shall not be deemed to be abandoned.

10.6.4. In the event the Master Association shall determine that a vehicle is parked or stored in violation of subsections 10.6.1, 10.6.2 or 10.6.3 hereof, then a written notice describing said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the vehicle is not removed within a reasonable time thereafter, as determined by the Master Association in its discretion from time to time, the Master Association shall have the right to remove the vehicle at the sole expense of the owner thereof.

10.6.5. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers or boats, may be performed or conducted in the Community unless it is done within a completely enclosed structure which screens the sight and sound of the activity from the street and from adjoining property. The foregoing restriction shall not be deemed to prevent the washing and polishing of any motor vehicle, boat, trailer, motor cycle, or other vehicle, together with those activities normally incident and necessary to such washing and polishing on a Lot.

Section 10.7. *Nuisances.*

No nuisance shall be permitted which is visible within or otherwise affects the Community or any portion thereof, nor any use, activity or practice which interferes with the peaceful enjoyment or possession and proper use of the Community or any portion thereof. As used herein, the term "nuisance" shall include each violation of this Master Declaration, the Articles of Incorporation, Bylaws, rules, regulations, standards and/or guidelines of the Master Association or the Architectural Review Committee, but shall not include any activities of Master Declarant which are reasonably necessary to the development and construction of, and sales activities in, the Community; provided, however, that such activities of the Master Declarant shall not unreasonably interfere with any Owner's use and enjoyment of his Lot, or with any Owner's ingress and egress to or from his Lot and a public way. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done or placed on any Lot which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. Further, no unlawful use shall be permitted or made of the Community or any portion thereof. All laws, ordinances and regulations of all

governmental bodies having jurisdiction over the Community or any portion thereof, shall be observed.

Section 10.8. *No Hazardous Activities; No Hazardous Materials or Chemicals.*

No activities shall be conducted on any Lot, or within Improvements constructed on any Lot, which are 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 Lot and no open fires shall be permitted on any Lot except in a contained barbecue unit while attended and in use for cooking purposes or within an interior fireplace, or except such campfires or picnic fires on property which may be designated for such use by the Master Association. Further, no hazardous materials or chemicals shall at any time be located, kept or stored in, on or at any Lot except such as may be contained in household products normally kept at homes for use of the residents thereof and in such limited quantities so as to not constitute a hazard or danger to person or property.

Section 10.9. *No Annoying Lights, Sounds or Odors.*

No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be permitted from any Lot which is noxious or offensive to others. Further, no annoying light, sound or odor shall be permitted in any portion of the Community that may be seen, heard or smelled from any adjoining portion of the Community

Section 10.10. *Restrictions on Trash and Materials.*

No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate except inside the residence on any Lot nor shall any such items be deposited on a street, unless placed in a suitable, tightly-covered container that is suitably located solely for the purpose of garbage pickup. Further, no trash or materials shall be permitted to accumulate in such a manner as to be visible from any other portion of the Community. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage or trashcans or receptacles shall be maintained in an exposed or unsightly manner.

Section 10.11. *Lots to be Maintained.*

Subject to Section 10.4 hereof, each Lot shall at all times be kept in a clean and sightly condition by the Owner(s) or tenants thereof.

Section 10.12. *Leases.*

The term "lease," as used herein, shall include any agreement for the leasing or rental of a Lot, or any portion thereof, and shall specifically include, without limitation, month-to-month rentals and subleases. Any Owner shall have the right to lease his Lot, or any portion thereof, as long as all leases are in writing and provide that the terms of the lease and lessee's occupancy of the leased premises shall be subject in all respects to the provisions of this Master Declaration, and the Articles of Incorporation, Bylaws and rules and regulations of the Master Association; and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease.

Section 10.13. *Landscaping of Lots.*

Within one (1) year after initial conveyance of each Lot by the Master Declarant or a Builder, whichever occurs later, the non-Master Declarant Owner or non-Builder Owner thereof shall install landscaping (which shall include any landscaping deemed to be approved when constructed, erected, placed, located or installed in complete conformity with the provisions of any guidelines or standards adopted by the Architectural Review Committee) on all unlandscaped portions of his Lot which are not covered by a dwelling unit, and such Owner shall be responsible for maintaining such landscaping in a neat and attractive condition, including periodic and horticulturally correct pruning, removal of weeds, and replacement of landscaping; provided, however, that any or all of the foregoing may be permitted or required, in a Supplemental Declaration, to be done by a Subassociation. If any Owner of a Lot fails or refuses to install landscaping, as provided above, then the Master Association may, at the direction of the Board of Directors and after giving the notice provided for in Section 8.3 of this Master Declaration, enter upon such Owner's Lot and install the landscaping required by any guidelines or standards adopted by the Architectural Review Committee. The costs and expenses incurred by the Master Association as a result the Master Association installing such landscaping shall be the personal obligation of the Owner(s) of the Lot on which such work is performed, and shall be subject to all of the terms and provisions applicable to assessments as provided in Article 4 of this Master Declaration, including without limitation, interest, late charges, attorney's fees and lien rights. Additionally, in the event any Owner of Lot fails or refuses to maintain the landscaping on such Owner's Lot, as provided above, then the Master Association may, at the direction of the Board of Directors and after giving the notice provided for in Section 8.3 of this Master Declaration, enter upon such Owner's Lot in order to perform such maintenance activities. The costs and expenses incurred by the Master Association as a result the Master Association maintaining such landscaping shall be the personal obligation of the Owner(s) of the Lot on which such work is performed, and shall be subject to all of the terms and provisions applicable to assessments as provided in Article 4 of this Master Declaration, including without limitation, interest, late charges, attorney's fees and lien rights.

ARTICLE 11. *PROPERTY RIGHTS IN THE COMMON ELEMENTS*

Section 11.1. *Owners' Easements of Enjoyment.*

Subject to this Article, every Owner shall have a non-exclusive right and easement for the purpose of access to such Owner's Lot and for use for all other purposes, in and to the Common Elements, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 11.2. *Extent of Owners' Easements.*

Subject to the other provisions of this Article, the rights and easements of enjoyment created hereby are subject to the following: the Common Elements may not be used in any manner which violates the statutes, rules, or regulations of any governmental authority with jurisdiction over the Common Elements; and no Owner may place any structure on the Common Elements. In addition, such rights and easements are subject to the following rights of the Master Association:

11.2.1. The right of the Master Association to borrow money for the purpose of improving the Common Elements and to mortgage said property as security for any such

loan; provided, however, that the Master Association may not subject any portion of the Common Elements to a Security Interest except in accordance with CCIOA; and

11.2.2. The right of the Master Association to take such steps as are reasonably necessary to protect the Common Elements against foreclosure; and

11.2.3. The right of the Master Association to promulgate and publish rules and regulations, and of the Architectural Review Committee to promulgate standards, guidelines, rules and regulations, with which each Member shall strictly comply, including, but not limited to, the right to regulate and/or restrict vehicular parking and Improvements; and

11.2.4. The right of the Master Association to suspend the voting rights of a Member for any period during which any assessment against his Lot remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of the Master Declaration or the Master Association's Bylaws or rules and regulations; and

11.2.5. The right of the Master Association to dedicate or transfer all or any part of the Common Elements owned by the Master Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless the same is done in accordance with CCIOA. Notwithstanding the foregoing, the granting of permits, licenses and easements for public utilities, roads or for other purposes reasonably necessary or useful for the proper maintenance or operation of the Community shall not be deemed a transfer within the meaning of this subsection; and

11.2.6. The right of the Master Association, through its Board of Directors, to enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of real property or Improvements by Owners, other Persons, their family members, guests and invitees, for any purpose(s) the Board of Directors may deem to be useful, beneficial or otherwise appropriate; and

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

Section 11.3. *Use of Common Elements by Master Declarant.*

An easement is hereby granted to the Master Declarant on, over and through the Common Elements as may be reasonably necessary for the purpose of exercising or discharging any of Master Declarant's rights or obligations or exercising any Special Master Declarant Rights, and no Owner shall engage in any activity which will temporarily or permanently interfere with the Master Declarant's easements on, over and through the Common Elements.

Section 11.4. *Delegation of Use.*

Any Owner may delegate his right of enjoyment to the Common Elements and facilities to the members of his family, his tenants, or contract purchasers who reside on his Lot

Section 11.5. *Payment of Taxes or Insurance by Security Interest Holders.*

Security Interest Holders shall have the right, jointly or singly, to pay taxes or other charges or assessments which are in default and which may be or have become a lien against the Common Elements and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Elements, and any Security Interest Holders making any such payments shall be owed immediate reimbursement therefor from the Master Association

Section 11.6. *Conveyance or Encumbrance of Common Elements.*

Portions of the Common Elements may be conveyed or subjected to a Security Interest by the Master Association only in accordance with CCIOA and this Master Declaration.

Section 11.7. *Designation of Common Elements.*

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

Section 11.8. *Duty to Accept Property and Facilities Transferred by Master Declarant.*

The Master Association shall accept title to any Common Elements, including Improvements thereon, as well as personal property, equipment, and easements, transferred to the Master Association by the Master Declarant, together with responsibility to perform all duties and functions of the Master Association which are set forth in this Master Declaration or otherwise assumed by the Master Association. As of the date of recording of this Master Declaration, interests which are planned to be transferred by the Master Declarant to the Master Association are planned to consist only of fee simple title to Common Elements to be located in the property described on the attached Exhibit A and/or the Annexable Area, and/or easements.

ARTICLE 12. GENERAL PROVISIONS

Section 12.1. *Enforcement.*

Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Master Declaration, the Articles of Incorporation, Bylaws, rules, regulations, standards and/or guidelines of the Master Association or the Architectural Review Committee, as supplemented and amended from time to time, may be by any proceeding at law or in equity against any Person(s) (including, without limitation, the Master Association) violating or attempting to violate any such provision. The Master Association and any aggrieved Owner shall have the right to institute, maintain and prosecute any such proceedings, and the Master Association shall further have the right to levy and collect fines for the violation of any provision of any of the aforesaid documents. Remedies for violation(s) of this Master Declaration, the Articles of Incorporation, Bylaws, rules, regulations, standards and/or guidelines of the Master Association or the Architectural Review Committee, shall be cumulative and no remedy shall be exclusive of other remedies that may be available. In any action instituted or maintained under this

Section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. Failure by the Master Association or any Owner to enforce any covenant, restriction or other provision herein contained, or any other provision of any of the aforesaid documents, shall in no event be deemed a waiver of the right to do so thereafter.

Section 12.2. *Severability.*

All provisions of this Master Declaration, the Articles of Incorporation and Bylaws of the Master Association, are severable. Invalidation of any of the provisions of any such documents, by judgment, court order or otherwise, shall in no way affect or limit any other provisions which shall remain in full force and effect

Section 12.3. *Conflict of Provisions.*

In case of any conflict between this Master Declaration and any Supplemental Declaration, Articles of Incorporation or Bylaws of any Subassociation, this Master Declaration shall control. In case of any conflict between this Master Declaration and the Articles of Incorporation or Bylaws of the Master Association, this Master Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Master Association, the Articles of Incorporation shall control.

Section 12.4. *Conflict with CCIOA.*

In the event that any of the terms or provisions of this Master Declaration are in conflict or inconsistent with CCIOA, the terms or provisions of CCIOA shall control and govern. In case of any such conflict or inconsistency, the applicable terms and provisions contained in this Master Declaration shall, to the extent possible, be construed in accordance with CCIOA, and any conflict with or violation of CCIOA by any terms or provisions of this Master Declaration shall not affect, void, or render unenforceable any other term or provision of this Master Declaration (which shall be in full force and effect in accordance with their terms).

Section 12.5. *Annexation; Withdrawal.*

12.5.1. Additional property may be annexed to this Master Declaration with the consent, at the time such annexation is to be effective, of Members casting sixty-seven percent (67%) of the Master Association votes and with the consent, at the time such annexation is to be effective, of the owner of the property to be annexed.

12.5.2. Notwithstanding the foregoing, the Master Declarant may annex to this Master Declaration the Annexable Area or any portion(s) thereof, until termination of this right as provided below, without consent of any other Owners, Security Interest Holders, or any other Person; however, such annexation is subject to a determination by HUD or VA (if the Master Declarant desires to attempt to obtain HUD or VA approval of the property being annexed and if HUD or VA require such approval) that the annexation is in accord with the general plan approved by them and that the structures to be located thereon will be of comparable style, quality, size and cost to the existing Improvements. Each annexation shall be effected, if at all, by recording an Annexation of Additional Land in the Office of

the Clerk and Recorder of the County in which the annexed property is located, which document:

12.5.2.1. shall provide for annexation to this Master Declaration of the property described in such Annexation of Additional Land;

12.5.2.2. shall identify the owner(s) of the Lots thereby created;

12.5.2.3. shall assign an identifying number to each new Lot;

12.5.2.4. shall describe any Common Elements within the property being annexed;

12.5.2.5. shall described any Common Area within the property being annexed;

12.5.2.6. shall reallocate the Allocated Interests; and

12.5.2.7. may include such other provisions as the Master Declarant deems appropriate. Other provisions that may be included in an Annexation of Additional Land or Supplemental Declaration include, without limitation, covenants, conditions, restrictions, requirements and/or other provisions, in addition to or different from those contained elsewhere in this Master Declaration, that apply or will apply to some or all of the property that is thereby being annexed to this Master Declaration. Any of such other provisions referenced in this subsection may be amended with the consent of the Owners of sixty-seven percent (67%) of the Lots to which such other provisions apply.

12.5.3. The Master Declarant's right to annex the Annexable Area without approval, as provided in subsection 12.5.2 above, shall terminate automatically as provided in Section 1.24 of this Master Declaration.

12.5.4. Except as otherwise specifically stated in an Annexation of Additional Land or Supplement Declaration, as provided in Section 12.5.2.7 hereof, all provisions of this Master Declaration, including (as to Lots), but not limited to, those provisions regarding obligations to pay assessments to the Master Association and any right to cast votes as Members, shall apply to the annexed property immediately upon the effective date of the Annexation of Additional Land or other document of annexation (which shall constitute the date of recording of the Annexation of Additional Land or other annexation document, unless otherwise stated therein), unless and to the extent any provisions of this Master Declaration are, as to the annexed property or any portion thereof, changed or deleted by such Annexation of Additional Land.

12.5.5. Each Person who acquires any property within the Annexable Area after the date of recording hereof will have agreed, pursuant to applicable documents, that such property will be governed by this Master Declaration. The Master Declarant, therefore, reserves the right (but not the obligation), during the time period set forth in subsection

12.5.3, to annex such property to the Master Declaration without further authorization from the Person who has purchased such property, even if such annexation occurs subsequent to conveyance of such property by Master Declarant.

12.5.6. The property which is described on the attached Exhibit A and each portion of the Community which is annexed to this Master Declaration as provided in the preceding subsections, shall be subject to a right of withdrawal by the Master Declarant. Such withdrawal may be accomplished, if at all, in accordance with CCIOA. However, the Master Declarant's right to withdraw such property and each such portion of the Community shall expire and terminate as to such property and each such portion of the Community, upon the first conveyance of any Lot in such portion of the Community to any Person other than the Master Declarant, but in any event, no later than the automatic termination of the Special Master Declarant Rights as provided in Section 1 24 of this Master Declaration.

Section 12.6. *Minor Violations of Setback Restrictions.*

If upon the erection of any structure, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of each Lot immediately adjoining the structure which is in violation of the setback, and such waiver shall be binding upon all other Owners. However, nothing contained in this Section shall prevent the prosecution of a suit for any other violation of the restrictions, covenants, or other provisions contained in this Master Declaration. A "minor violation," for the purpose of this Section, is a violation of not more than four (4) feet beyond the required setback lines or Lot lines. This provision shall apply only to the original structures and shall not be applicable to any alterations or repairs to, or replacements of, any of such structures.

Section 12.7. *Subdivision or Replatting of Lots.*

The Master Declarant hereby reserves the right to subdivide or replat any Lot(s) owned by the Master Declarant and each such subdivision or replatting may change the number of Lots in the Community. Without limiting the generality of the foregoing, the Master Declarant reserves the right to move any Lot line(s) on Lot(s) owned by the Master Declarant, for the purpose of accommodating Improvements which are constructed or are to be constructed. The rights provided for in this Section shall terminate automatically upon termination of the Special Master Declarant Rights, as provided in Section 1 24 of this Master Declaration.

Section 12.8. *Master Declarant's and Builder's Use.*

Notwithstanding anything to the contrary contained in this Master Declaration, it shall be expressly permissible and proper for the Master Declarant, its employees, agents, and contractors, as well as any Builder (but only with the written consent of the Master Declarant), to perform such reasonable activities, and to maintain upon portions of the Lots and the Common Elements such facilities as the Master Declarant deems appropriate, specifically including, without limiting the generality of the foregoing, maintaining signs, sales offices, management offices, model units and construction offices, in such numbers, of such sizes, and at such locations as the Master Declarant determines in its reasonable discretion from time to time. Nothing contained in this Master Declaration shall limit the rights of the Master Declarant to conduct all construction, sales, and

marketing activities as the Master Declarant deems necessary or desirable and to use the easements provided in this Master Declaration for those and other purposes. Further, nothing contained in this Master Declaration shall limit the rights of the Master Declarant or require the Master Declarant to obtain approvals: (a) to excavate, cut, fill or grade any property or to construct, alter, demolish or replace any Improvements; (b) to use any Improvements on any property as sales offices, management offices, model units and/or construction offices in connection with the development, construction or sale of any property; and/or (c) to require the Master Declarant to seek or obtain the approval of the Architectural Review Committee, the Board of Directors, or the Master Association for any such activity. Any real estate used as a sales office, management office, model unit, or for the location of a trailer used as a construction or sales office, shall be a Lot, Common Elements or Common Area, as such property is designated in the document(s) annexing such property to this Master Declaration. As permitted by Section 216(1) of CCIOA, the Master Declarant hereby reserves for itself and its guests an easement through the Common Elements and Common Area for access to, from, and incidental to the use of, any property now or hereafter used as sales offices, management offices, model units, or for the location of trailers used as construction or sales offices.

Section 12.9. *Duration, Revocation, and Amendment.*

12.9.1. Each and every provision of this Master Declaration shall run with and bind the land for a term of twenty (20) years from the date of recording of this Master Declaration, after which time this Master Declaration shall be automatically extended for successive periods of ten (10) years each. Except as otherwise provided in this Master Declaration, this Master Declaration may be amended during the first twenty (20) year period, and during subsequent extensions thereof, by the affirmative vote or agreement of Members holding more than fifty percent (50%) of the Allocated Interests; provided, however, while Master Declarant owns any portion of the property described on the attached Exhibits A and E, no amendment may be made to this Master Declaration except with the affirmative vote or agreement of Members holding ninety percent (90%) of the Master Association votes

12.9.2. Every amendment, if any, to the Master Declaration must be done in compliance with CCIOA.

12.9.3. Notwithstanding anything to the contrary contained in this Master Declaration, the Master Declaration may be amended in whole or in part, at any time from time to time, by the Master Declarant without the consent or approval of any other Owner, any Security Interest Holder, or any other Person, in order to comply with the requirements, standards, or guidelines of any of the Agencies or of recognized secondary mortgage markets. Such right of amendment shall terminate automatically as provided in Section 1.24 of this Master Declaration.

12.9.4. Notwithstanding anything to the contrary contained in this Master Declaration, this Master Declaration, or any map or plat, may be amended in whole or in part, at any time from time to time, by the Master Declarant without the consent or approval of any other Owner, any Security Interest Holder, or any other Person, in order to correct clerical, typographical, or technical errors. Such right of amendment shall terminate automatically as provided in Section 1.24 of this Master Declaration.

12.9.5. Except as to amendments which may be made by the Master Declarant, amendments to this Master Declaration may be prepared, executed, recorded, and certified by any officer of the Master Association designated for that purpose or, in the absence of designation, by the president of the Master Association. Such certification shall, in the case of an amendment requiring the approval of Owners, certify that the Master Association has received the requisite approvals. Amendments to this Master Declaration which may be made by the Master Declarant pursuant to this Master Declaration or as permitted by CCIOA, may be signed by the Master Declarant and shall require no other signatory.

Section 12.10. *Registration of Mailing Address.*

Each Owner and each Security Interest Holder, insurer or guarantor of a Security Interest, shall register his mailing address with the Master Association, and except for annual statements and other routine notices, all other notices or demands intended to be served upon an Owner, or upon a Security Interest Holder, insurer or guarantor of a Security Interest, shall be sent by either registered or certified mail, postage prepaid, addressed in the name of such Person at such registered mailing address. However, if any Owner fails to notify the Master Association of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot. All notices, demands, or other notices intended to be served upon the Board of Directors or the Master Association during the 75% Control Period shall be sent by registered or certified mail, postage prepaid, c/o Kaufman and Broad of Colorado, Inc., 8401 East Belleview Avenue, Suite 200, Denver, Colorado 80237, unless such address is changed by the Master Association during the 75% Control Period; subsequent to expiration of the 75% Control Period, the Master Association shall notify the Owners of a different address for notices.

Section 12.11. *HUD or VA Approval.*

During the 75% Control Period, the following actions shall require the prior approval of HUD or VA if, at the time any such action is taken, HUD has insurance or VA has a guarantee(s) on one or more first Security Interests and HUD or VA require such approval: annexation of additional real property (if the Master Declarant desires to obtain HUD or VA approval of the property that is being annexed and HUD or VA require such approval); amendment of this Master Declaration, except as provided in Sections 12.9.3 and 12.9.4 hereof, termination of this Community; or merger or consolidation of the Master Association, except as provided in Section 3.14 of this Master Declaration.

Section 12.12. *Termination of Community.*

The Community may be terminated only in accordance with CCIOA.

Section 12.13. *Transfer of Special Master Declarant Rights.*

A Special Master Declarant Right created or reserved under this Master Declaration may be transferred only by an instrument evidencing the transfer recorded in every county in which any portion of the Community is located, and in accordance with CCIOA.

Section 12.14. *Eminent Domain.*

The taking by eminent domain of a Lot(s) or Common Element(s), or any portion thereof, shall be done in accordance with applicable law, including without limitation CCIOA.

Section 12.15. *Limitation on Liability.*

The Master Association, the Board of Directors, the Architectural Review Committee, the Master Declarant, any Builder, and the officers, directors, members, partners, agents and employees of the same, shall not be liable to any Person for any action or for any failure to act unless the action or failure to act was not in good faith and was done or withheld with malice.

Section 12.16. *No Representations, Guaranties or Warranties.*

No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by Master Declarant, the Master Association, the Board of Directors, the Architectural Review Committee, any Builder, or by any of their officers, directors, members, partners, agents or employees, in connection with any portion of the Community, or any Improvement, its or their physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, 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.

Section 12.17. *Disclaimer Regarding Safety.*

MASTER DECLARANT, THE BUILDERS, THE MASTER ASSOCIATION, THE BOARD OF DIRECTORS AND THE ARCHITECTURAL REVIEW COMMITTEE, AND THEIR OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY. BY ACCEPTING A DEED TO PROPERTY WITHIN THE COMMUNITY, EACH OWNER ACKNOWLEDGES THAT MASTER DECLARANT, THE BUILDERS, THE MASTER ASSOCIATION, THE BOARD OF DIRECTORS AND THE ARCHITECTURAL REVIEW COMMITTEE, AND THEIR OFFICERS, DIRECTORS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, OR IN THE ARTICLES OF INCORPORATION, BYLAWS AND RULES AND REGULATIONS OF THE MASTER ASSOCIATION, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY.

Section 12.18. *Headings.*

The Article, Section and subsection headings in this Master Declaration are inserted for convenience of reference only, do not constitute a part of this Master Declaration, and in no way define, describe or limit the scope or intent of this Master Declaration or any of the provisions hereof.

Section 12.19. *Gender.*

Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular and the use of any gender shall be applicable to all genders

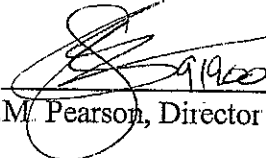
Section 12.20. *Run with Land; Binding Upon Successors.*

The benefits, burdens and all other provisions contained in this Master Declaration shall be covenants running with and binding upon this Community and all real property and Improvements which are now or hereafter become a part thereof. The benefits, burdens and all other provisions contained in this Master Declaration shall be binding upon, and inure to the benefit of the Master Declarant, the Master Association and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this 19th day of September, 2000.

DECLARANT:

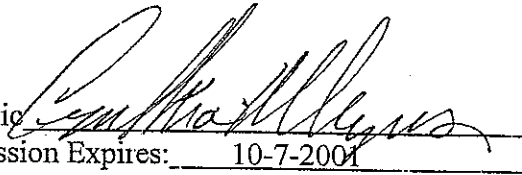
KAUFMAN AND BROAD OF COLORADO, INC ,
a Colorado corporation

By: 
Title: J.M. Pearson, Director of Land Development

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

The foregoing instrument was acknowledged before me this 19th day of September, 2000, by J. M. Pearson as the Director of Land Development for Kaufman and Broad of Colorado, Inc , a Colorado corporation.

Witness my hand and official seal.

Notary Public 
My Commission Expires: 10-7-2001

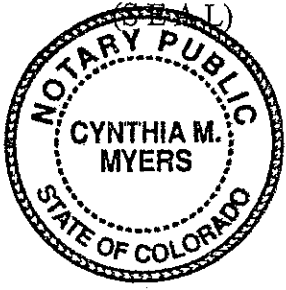


EXHIBIT A
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF KENTFIELD

(Community)

Lots 16 through 22, inclusive, Block 5, all as shown on the final plat of Villages North Subdivision Filing No 6, recorded on June 5, 2000, in Plat File 18 at Map No. 236, as Reception No. C0676611, in the office of the Clerk and Recorder of Adams County, Colorado, as amended and supplemented.

EXHIBIT B
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF KENTFIELD

(Common Area)

None at the time of recording of this Master Declaration.

EXHIBIT C
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF KENTFIELD

(Common Elements)

None at the time of recording of this Master Declaration.

EXHIBIT D
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF KENTFIELD

(Certain Title Exceptions)

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.
2. AN EASEMENT FOR WATER TRANSMISSION LINE AND INCIDENTAL PURPOSES GRANTED TO THE CITY OF THORNTON BY THE INSTRUMENT RECORDED OCTOBER 2, 1973 IN BOOK 1891 AT PAGE 537.
3. RIGHT, INTEREST AND CLAIMS OF INTEREST FOR DITCHES AND LATERALS INCLUDING BUT NOT LIMITED TO THE COLORADO AGRICULTURAL DITCH COMPANY AND THE LOWER CLEAR CREEK DITCH COMPANY.
4. AN EASEMENT FOR UTILITIES AND INCIDENTAL PURPOSES GRANTED TO THE CITY OF THORNTON BY THE INSTRUMENT RECORDED AUGUST 4, 1988 IN BOOK 3475 AT PAGE 161.
5. EASEMENTS GRANTED TO THE CITY OF THORNTON UNDER DEEDS RECORDED APRIL 1, 1993 IN BOOK 4046 AT PAGE 729; IN BOOK 5715 AT PAGES 660 AND 665; BOOK 4072 AT PAGE 785 AND RE-RECORDED IN BOOK 5515 AT PAGE 380.
6. TERMS, CONDITIONS, PROVISIONS, AGREEMENTS AND OBLIGATIONS SPECIFIED UNDER THE DEED OF PERPETUAL EASEMENT AND GRANT OF TEMPORARY EASEMENT BY AND BETWEEN JUANITA D. SMITH AND THE CITY OF THORNTON RECORDED SEPTEMBER 26, 1994 IN BOOK 4396 AT PAGE 520.
7. DRY-UP COVENANTS, CONDITIONS AND RESTRICTIONS, WHICH DO NOT INCLUDE A FORFEITURE OR REVERTER CLAUSE, SET FORTH IN THE INSTRUMENT RECORDED FEBRUARY 24, 1997 IN BOOK 4944 AT PAGE 336. PROVISIONS REGARDING RACE, COLOR, CREED, AND NATIONAL ORIGIN, IF ANY, ARE DELETED.
8. RIGHT OF WAY TO NORTHWEST UTILITIES COMPANY UNDER LIS PENDENS ACTION RECORDED AUGUST 6, 1958 IN BOOK 793 AT PAGE 586.
9. EASEMENTS, NOTES AND RESTRICTIONS AS CONTAINED ON THE PLATS OF VILLAGE NORTH SUBDIVISIONS FILING NOS. 1, 2, 3, 5 AND 6, NOW OR HEREAFTER RECORDED.

EXHIBIT E
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF KENTFIELD

(Annexable Property)

All of the property shown on the final plat of Villages North Subdivision Filing No. 1, recorded on June 5, 2000, in Plat File 18 at Map No. 235, as Reception No. C0676609, in the office of the Clerk and Recorder of Adams County, Colorado, as amended; and

All of the property shown on the final plat of Villages North Subdivision Filing No. 6, recorded on June 5, 2000, in Plat File 18 at Map No. 236, as Reception No. C0676611, in the office of the Clerk and Recorder of Adams County, Colorado, as amended and supplemented;

AND

That part of the land of the Northeast quarter corner of Section 24, Township 2 South, Range 68 West of the Sixth Principal Meridian, Adams County, Colorado being more particularly described as follows:

Commencing at the East quarter corner of Section 24; Thence North $89^{\circ} 05' 12''$ West along the South of the Northeast quarter of said Section 24, a distance of 90.62 feet to a point on the Westerly right of way line of Colorado Boulevard; Thence continuing North $89^{\circ} 05' 12''$ West along said South line, a distance of 1100.31 feet to the point being the point of beginning; Thence continuing North $89^{\circ} 05' 12''$ West along said South line, a distance of 1177.42 feet to a point on the Easterly right of way of Welby Road; Thence along said Easterly right of way for the following four (4) courses:

- 1) North $21^{\circ} 45' 43''$ East, a distance of 490.47 feet to a point of curvature;
- 2) Thence along the arc of a curve to the right having a chord which bears North $33^{\circ} 10' 11''$ East, a distance of 237.11 feet, a radius of 599.39 feet, a central angle of $22^{\circ} 48' 57''$ and an arc length of 238.68 feet to a point of tangency;
- 3) Thence North $44^{\circ} 34' 40''$ East along said tangent line, a distance of 724.17 feet to a point of curvature;
- 4) Thence along the arc of a curve to the right having a chord which bears North $46^{\circ} 05' 03''$ East, a distance of 62.81 feet, a radius of 1194.61 feet, a central angle of $03^{\circ} 00' 46''$ and an arc length of 62.82 feet; Thence South $42^{\circ} 24' 34''$ East, a distance of 10.00 feet; Thence along the arc of a curve to the left having a chord which bears South $01^{\circ} 05' 03''$ West, a distance of 43.53 feet, a radius of 30.00 feet, a central angle of $93^{\circ} 00' 46''$ and an arc length of 48.70 feet to a point of tangency; Thence South $45^{\circ} 25' 20''$ East along said tangent line, a distance of 100.09 feet to a point of curvature; Thence along the arc of a curve to the right having a chord which bears South $28^{\circ} 04' 44''$ East, a distance of 163.94 feet, a radius of 275.00 feet, a central angle of $34^{\circ} 41' 05''$ and an arc length of 166.48 feet to a point of tangency; Thence South $10^{\circ} 44' 12''$ East along said tangent line, a distance of 177.44 feet to a point of curvature; Thence along the arc of a curve to the right having a chord which bears South $01^{\circ} 16' 32''$ West, a distance of 93.65 feet, a radius of 225.00 feet, a central angle of $24^{\circ} 01' 28''$ and an arc length of 94.34 feet to a point

of tangency; Thence South $13^{\circ} 17' 16''$ West along said tangent line, a distance of 13.53 feet; Thence South $10^{\circ} 44' 12''$ East, a distance of 697.42 feet to the Point of Beginning.

TO BE PLATTED AS VILLAGES NORTH FILING NO. 2,
County of Adams,
State of Colorado.

AND

That part of the Northeast quarter of Section 24, Township 2 South, Range 68 West of the Sixth Principal Meridian, Adams County, Colorado, being more particularly described as follows:

Beginning at the Southwest corner of the Northeast quarter of said Section 24; Thence North $00^{\circ} 07' 29''$ East along the West line of the Northeast quarter of said Section 24; a distance of 28.34 feet to a point on the Easterly R.O.W. line of the Union Pacific Railroad, as recorded in Book 39 at page 149 among the records of Adams County, Colorado; Thence North $27^{\circ} 43' 49''$ East along said Easterly R.O.W. line a distance of 1736.86 feet; Thence South $62^{\circ} 16' 14''$ East a distance of 32.60 feet to a point on the South line of a sixteen (16) feet wide sanitary sewer easement, as recorded in Book 793 at Page 586 among the records of Adams County, Colorado; Thence along said South line for the following three (3) courses:

- 1) South $24^{\circ} 12' 48''$ East a distance of 83.72 feet;
- 2) Thence South $73^{\circ} 34' 51''$ East a distance of 137.97 feet;
- 3) Thence South $50^{\circ} 06' 48''$ East a distance of 197.02 feet to a point on the Westerly R.O.W. line of Welby Road;

Thence along said Westerly R.O.W. line for the following five (5) courses:

- 1) South $49^{\circ} 15' 11''$ West a distance of 47.90 feet to a point of curvature;
- 2) Thence along the arc of a curve to the left having a chord which bears South $46^{\circ} 54' 55''$ West a distance of 102.35 feet, a radius of 1254.61 feet, a central angle of $04^{\circ} 40' 31''$ and an arc length of 102.38 feet to a point of tangency;
- 3) Thence South $44^{\circ} 34' 40''$ West along said tangent line a distance of 724.17 feet to a point of curvature;
- 4) Thence along the arc of a curve to the left having a chord which bears South $33^{\circ} 10' 11''$ West a distance 260.85 feet, a radius of 659.39 feet, a central angle of $22^{\circ} 48' 57''$ and an arc length of 262.58 feet;
- 5) Thence South $21^{\circ} 45' 43''$ West a distance of 513.32 feet to a point on the South line of the Northeast quarter said Section 24; Thence North $89^{\circ} 05' 12''$ West along the said South line a distance of 202.64 feet to the Point of Beginning;

TO BE PLATTED AS VILLAGES NORTH FILING NO. 3,
County of Adams,
State of Colorado.

AND

That part of the Northeast quarter of Section 24, Township 2 South, Range 68 West of the Sixth Principal Meridian, Adams County, Colorado, being more particularly described as follows:

Commencing at the Southwest corner of the Northwest quarter of said Section 24; Thence North 00° 07' 29" East along the West line of the Northeast quarter of said Section 24, a distance of 459.95 feet to a point on the Westerly right of way line of the Union Pacific Railroad, as recorded in Book 39 at Page 149 among the records of Adams County, Colorado, said point being the point of beginning; Thence continuing North 00° 07' 29" East along the West line of said Northeast quarter, a distance of 2172.23 feet to the Northwest corner of said Northeast quarter; Thence South a 89° 06' 43" East along the North line of said Northeast quarter, a distance of 1128.13 feet to a point on the Westerly right of way line of the aforesaid Union Pacific Railroad; Thence South 27° 43' 49" West, a distance of 2434.33 feet to the point of beginning,

TO BE PLATTED AS VILLAGES NORTH FILING NO. 5
County of Adams,
State of Colorado.

EXCEPTING AND EXCLUDING the property described on Exhibit A to this Master Declaration.

**BYLAWS OF
KENTFIELD MASTER ASSOCIATION, INC.**

ARTICLE 1. NAME AND LOCATION

The name of the corporation is Kentfield Master Association, Inc., hereinafter referred to as the "Master Association." The principal office of the Master Association shall be c/o Kaufman and Broad of Colorado, Inc., 8401 East Belleview Avenue, Suite 200, Denver, Colorado 80237, but meetings of Members and directors may be held at such places within the State of Colorado as may from time to time be designated by the Board of Directors of the Master Association ("Board of Directors" or "Board").

ARTICLE 2. PURPOSE

The purpose for which the Master Association is formed is to govern the Community, exercise the rights, power and authority, and fulfill the duties of the Master Association, as provided in that certain Master Declaration of Covenants, Conditions and Restrictions of Kentfield, and all amendments, clarifications and supplements thereto, recorded or to be recorded in the office of the Clerk and Recorder of Adams County, Colorado ("Master Declaration") (terms which are defined in the Master Declaration shall have the same meanings herein unless otherwise defined), and those certain Articles of Incorporation of Kentfield Master Association, Inc., and any amendments thereto, filed in the office of the Secretary of State of the State of Colorado ("Articles of Incorporation"). All present and future Owners, tenants, occupants, and any other Person who may use any Lot, the Common Elements, the Common Area, or any portion thereof, or any facilities or appurtenances thereto or thereon, in any manner, shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and all other terms and provisions set forth in the Master Declaration, Articles of Incorporation and these Bylaws. The mere acquisition, rental or occupancy of any Lot, or any portion thereof, shall signify that all terms and provisions of the Master Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with.

ARTICLE 3. MEETINGS OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of incorporation of the Master Association, and each subsequent regular annual meeting of the Members shall be held on such date, at such time and location as may be designated by the Board of Directors from time to time. At each annual meeting, the Members shall elect directors to fill vacancies and conduct such other business as may properly come before the meeting.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors or by Owners having at least twenty percent (20%) of the votes of the Master Association.

Section 3.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of the Master Association or Person authorized to call the meeting. Not less than ten (10) nor more than fifty (50) days in advance of such meeting, the

Person giving such notice shall cause notice of the meeting to be hand delivered or sent prepaid by United States first class mail to the mailing address of each Lot or to any other mailing address designated in writing by the Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Master Declaration or Bylaws, any budget changes, and any proposal to remove an officer or director.

Section 3.4. Quorum and Voting Requirements.

3.4.1. A quorum is deemed present throughout any meeting of the Master Association if Persons entitled to cast twenty percent (20%) of the votes that may be cast on a matter are present, in person or by proxy, at the beginning of the meeting.

3.4.2. Unless otherwise specifically provided by the Master Declaration, the Articles of Incorporation, these Bylaws or by statute, action on all matters, except election of the Board of Directors, coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, is approved if the votes cast favoring such action exceed the votes cast opposing such action.

Section 3.5. Proxies

3.5.1. If only one of the multiple Owners of a Lot is present at a meeting of the Master Association, such Owner is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners of a Lot are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Master Declaration expressly provides otherwise. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Lot.

3.5.2. The vote allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner. If a Lot is owned by more than one Person, any Owner of such Lot may register protest to the casting of a vote by any other Owner of such Lot through a duly executed proxy; but each Lot shall only have one vote allocated to it, as provided in the Master Declaration. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the Person presiding over a meeting of the Master Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date unless it provides otherwise.

Section 3.6. Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of the Members may be taken without a meeting if the Master Association delivers (by mail or otherwise) a written ballot to every Member entitled to vote on the matter which sets forth each proposed action and provides an opportunity to vote for or against each proposed action. Approval by written ballot is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes

cast by ballot. Solicitations for vote by written ballot must be accompanied by written information sufficient to permit a Member to reach an informed decision on the matter and must specify:

3.6.1. the number of responses needed to meet the quorum requirements;

3.6.2. the percentage of approvals necessary to approve each matter other than election of the directors; and

3.6.3. the time by which a ballot must be received in order to be counted.

Section 3.7. Security Interest Holders. Each Security Interest Holder shall have the right to designate a representative to attend all meetings of Members.

ARTICLE 4. BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

Section 4.1. Number. The affairs of this Master Association shall be managed by a Board of Directors of five (5) directors, except that the Board which shall serve until fifty percent (50%) of the Lots that May Be Included have been conveyed to Owners other than the Master Declarant, shall consist of three (3) directors. Directors shall be Members which, in the case of any Members who are not natural persons, may include the officers, directors, partners, members, employees or authorized agents of each such Member. Notwithstanding the foregoing, the number of directors may be changed from time to time by a vote of the Board of Directors; provided, however, that the number of directors may not be greater than nine (9) nor less than three (3).

Section 4.2. Power to Appoint or Elect. During the 75% Control Period, except as otherwise provided in the Master Declaration, the Master Declarant shall have the power to appoint the directors as more fully described in the Master Declaration. Subject to the Master Declarant's right to appoint, the Members shall elect the directors.

Section 4.3. Term of Office. Any director who is elected by the Members prior to the first Master Association annual meeting after termination of the 75% Control Period shall serve for one (1) year or until such director's duly-elected successor takes office on the Board of Directors, whichever occurs first; except that any director may at any time resign, be removed (subject to these Bylaws), or otherwise be disqualified to serve. At the first annual meeting of the Members held subsequent to termination of the 75% Control Period, the Members shall elect two directors for terms of one year and three directors for terms of two years, and at each annual meeting thereafter the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of two years.

Section 4.4. Removal. The Members, by a vote of sixty-seven percent (67%) of the Master Association votes cast by Members present in person or by proxy at any meeting of the Members at which a quorum is present, may remove any director with or without cause, other than a director appointed by the Master Declarant. Master Declarant may at any time remove, and appoint the successor of, any director who was appointed by the Master Declarant. In the event of death, resignation or removal of a director, his or her successor shall be selected by a majority of the remaining directors, whether or not such remaining directors constitute a quorum, and shall serve for the unexpired term of the director being replaced; provided, however, that the Master

Declarant may appoint the successor of any director who served in such capacity as a result of being appointed by the Master Declarant

Section 4.5. Compensation. No director shall receive compensation for any service rendered to the Master Association as a director. However any director may be reimbursed for actual expenses incurred in the performance of the director's duties.

ARTICLE 5. NOMINATION AND ELECTION OF DIRECTORS

Section 5.1. Nomination. Nomination for election to the Board of Directors may be made by a nominating committee if such a committee is appointed, from time to time, by the Board of Directors. Nominations may also be made from the floor at any Member meeting.

Section 5.2. Election. Election to the Board of Directors shall be by secret written ballot if any Member so requests or in the discretion of the Board of Directors. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Declaration. Cumulative voting is not permitted. Unless otherwise specifically provided by the Master Declaration, the Articles of Incorporation, these Bylaws, or by statute, the election of the Board of Directors at a meetings of the Members at which a proper quorum is in attendance, in person or by proxy, shall be decided as follows:

5.2.1. When only one director is being voted upon, the affirmative vote of a majority of the Members constituting a quorum at the meeting of the Members at which the election occurs shall be required for election to the Board of Directors;

5.2.2. If multiple persons are running for one directorship and no one receives a majority of the votes, then another election shall be held at which the two (2) persons running for such directorship who received the most votes in the prior election shall be voted upon and the person receiving a majority of the affirmative votes cast by Members shall be elected; or

5.2.3. When multiple directors are being elected, that number of candidates equaling the number of directors to be elected, having the highest number of votes cast in favor of their election, are elected to the Board of Directors.

ARTICLE 6. MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less often than quarterly, without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Master Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 6.3. Quorum; Actions of Board of Directors. Each director shall have one (1) vote. A quorum at any meeting of the Board of Directors is present if directors entitled to cast fifty

percent (50%) of the votes on the Board of Directors are present. Every act or decision done or made by a majority of a quorum of the directors present, in person or by proxy granted to another director (as more specifically set forth below), at a duly held meeting shall be regarded as the act of the Board of Directors.

Section 6.4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if each and every director in writing ("Written Vote(s)") does either of the following:

6.4.1. Votes for such action; or

6.4.2. 6.4.2.1 Votes against such action or abstains from voting; and

6.4.2.2. Waives the right to demand that a meeting be held.

Action under this Section is valid only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. For any action taken under this Section to be effective the Master Association must receive the Written Votes described in subsections 6.4.1 and 6.4.2 signed and not revoked. Written Votes may be received by the Master Association by facsimile. A director may revoke such director's Written Vote by a writing signed and dated describing the action and stating that the director's prior vote is revoked ("Revocation") if such Revocation is received by the Master Association before the last Written Vote necessary to effect the action is received by the Master Association. The Master Association shall keep the Written Votes and any Revocations with the minutes of the meetings of the Board of Directors.

Section 6.5. Proxies. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may be deemed to be present and to vote if the director has granted a signed written proxy to another director who is present at the meeting, authorizing the other director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section and in Section 6.4 hereof, directors may not vote or otherwise act by proxy.

ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1. Limitation on Powers. The Board of Directors may not act on behalf of the Master Association to amend the Master Declaration, to terminate this Community, or to elect directors or determine the qualifications, powers and duties, or terms of office of directors, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term.

Section 7.2. Powers. The Board of Directors shall have power to:

7.2.1. adopt and publish rules and regulations governing the use of the Lots, the Common Elements, the Common Area, the Community, any property which is visible from any Lot, or any portion thereof, and any facilities thereon and the personal conduct of the

Members, their guests and other Persons thereon, and to establish penalties for the infraction thereof;

7.2.2. suspend the voting rights of any Member during any period in which such Member shall be in default in the payment of any assessment levied by the Master Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of the Master Declaration, Articles of Incorporation, these Bylaws or published Master Association rules and regulations;

7.2.3. enter into, make, perform or enforce contracts, licenses, leases and agreements of every kind and description;

7.2.4. borrow money;

7.2.5. provide for direct payment of assessments to the Master Association from Owners' checking, credit or other accounts;

7.2.6. exercise for the Master Association all powers, duties and authority vested in or delegated to the Master Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Master Declaration;

7.2.7. declare the office of a director to be vacant in the event such director shall be absent from two (2) regular meetings of the Board of Directors during any one year period;

7.2.8. employ a manager, an independent contractor(s), or such other employees as they deem necessary and prescribe their duties; and

7.2.9. exercise any and all powers granted by the Colorado Revised Non-Profit Corporation Act and by CCIOA.

Section 7.3 Duties It shall be the duty of the Board of Directors to:

7.3.1. cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Owners entitled to cast at least one-fourth (1/4) of the votes at such meeting;

7.3.2. supervise all officers, agents, and employees of the Master Association, and see that their duties are properly performed;

7.3.3. as more fully provided in the Master Declaration, to:

7.3.3.1 determine the amount of the annual assessment against each Lot, from time to time, in accordance with the Master Association budget, and revise the amount of the annual assessment if such budget is not ratified by the Owners; and

7.3.3.2 foreclose the lien against any Lot for which assessments are not paid within such time as may be determined by the Board of Directors from time to

time, or bring an action at law against the Owner personally obligated to pay the same;

7.3.4. issue, or cause an appropriate officer or authorized agent to issue, upon demand by any Person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all Persons who rely thereon in good faith;

7.3.5. procure and maintain insurance, as more fully provided in the Master Declaration;

7.3.6. provide for maintenance, repair and/or reconstruction of the Common Elements, other property, and Improvements, as more fully provided in the Master Declaration;

7.3.7. keep financial records sufficiently detailed to enable the Master Association to comply with the requirement that it prove statements of unpaid assessments. All financial and other records shall be made reasonably available for examination by any Owner and such Owner's authorized agents; and

7.3.8. cooperate with any Subassociation and/or any community association and/or any district, as provided in the Master Declaration.

Any of the aforesaid duties, but not the responsibility therefor, may be delegated by the Board of Directors to any other Person(s) or to the Master Association's managing agent.

ARTICLE 8. RIGHTS OF THE MASTER ASSOCIATION

The Master Association may exercise any and all rights or privileges given to it under the Master Declaration, the Articles of Incorporation or these Bylaws, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied therefrom or reasonably necessary to effectuate any such right or privilege.

ARTICLE 9. OFFICERS AND THEIR DUTIES

Section 9.1. Enumeration of Offices. The officers of this Master Association shall be a president, a secretary, a treasurer, and such other offices as the Board may from time to time by resolution create.

Section 9.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members

Section 9.3. Term. The officers of this Master Association shall be elected annually by the Board of Directors and each officer who is elected subsequent to the first annual meeting of the Master Association after termination of the 75% Control Period shall hold office for one (1) year or

until such officer's duly-elected successor takes office, whichever occurs later; except that any officer may at any time resign, be removed, or otherwise be disqualified to serve.

Section 9.4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Master Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9.5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 9.7. Multiple Offices. The same individual may simultaneously hold two or more offices, subject to any applicable requirements or limitations contained in the Master Declaration, Articles of Incorporation, these Bylaws or applicable law.

Section 9.8. Duties. The duties of the president, vice president, secretary and treasurer, which are delegable to other persons or the managing agent, are as follows:

9.8.1. President: The president shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign or authorize a designated agent to co-sign promissory notes and checks of the Master Association.

9.8.2. Vice President. The vice president, if any, shall act in the place and stead of the president in the event of the president's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of the vice president by the Board of Directors.

9.8.3. Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; shall keep the corporate seal of the Master Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the names of the Members together with their addresses; shall prepare, execute, certify and record amendments to the Master Declaration on behalf of the Master Association; shall keep a record of the names and addresses of Security Interest Holders furnished to the Master Association by the Members; and shall perform such other duties as required by the Board.

9.8.4. Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Master Association and shall disburse such funds as directed by

resolution of the Board of Directors; shall sign or authorize a designated agent to sign promissory notes and checks of the Master Association; shall keep proper books of account; shall cause an annual compilation report of the Master Association books to be made after the completion of each fiscal year or, at the option of the Board of Directors, an annual review or audited financial statement may be done; and shall prepare an annual budget to be presented to the membership, and give a copy or summary thereof to the Members (as provided in the Master Declaration).

The president, secretary or treasurer of the Master Association may prepare, execute, certify, file and/or record amendments to the Master Declaration, the Articles of Incorporation or these Bylaws, on behalf of the Master Association, except that the Board of Directors may authorize other officers to do so.

ARTICLE 10. DELEGATION OF AUTHORITY TO A MANAGING AGENT

Section 10.1. Delegation of Authority to a Managing Agent At such time, if ever, that the Master Association includes thirty (30) Lots, if the Board of Directors or officers of the Master Association delegate any of their powers of collection, deposit, transfer or disbursement of Master Association funds to other Persons or to a managing agent, then the following provisions shall be required:

10.1.1. The other Person or managing agent must maintain fidelity insurance coverage or a fidelity bond in an amount of not less than Fifty Thousand and no/100 Dollars (\$50,000 00) or such higher amount as the Board of Directors may require from time to time; and

10.1.2. The other Person or managing agent must maintain all funds and accounts of the Master Association separate from the funds and accounts of other homeowners associations that are managed by such other Person or managing agent, and must keep and maintain all reserve accounts of each such homeowners association so managed separate from operational accounts of the Master Association; and

10.1.3. An annual accounting of the Master Association funds and a financial statement must be prepared and presented to the Master Association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE 11. COMMITTEES

The Board of Directors shall appoint an Architectural Review Committee, subject to the provisions of the Master Declaration, and may appoint a nominating committee. In addition, the Board of Directors may appoint other committee(s) as it deems appropriate, from time to time, in carrying out its purposes.

ARTICLE 12. BOOKS AND RECORDS

The Master Association shall make available to Owners current copies of the Master Declaration, Articles of Incorporation, these Bylaws, the rules and regulations, books, records and

financial statements of the Master Association. "Available" shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances.

ARTICLE 13. CORPORATE SEAL

The Master Association shall have a seal in circular form and within its circumference the words: KENTFIELD MASTER ASSOCIATION, INC.

ARTICLE 14. AMENDMENTS

These Bylaws may be amended by the Board of Directors. These Bylaws may also be amended by the Members as long as, prior to any meeting of Members at which an amendment will be voted on: the Master Association gives notice to each Member entitled to vote on the amendment; such notice states that one of the purposes of the meeting is to consider the amendment; such notice is accompanied by a copy or summary of the amendment; and, at such regular or special meeting of the Members at which a quorum is present in person or by proxy, the votes that are cast in favor of said amendment exceed the votes that are cast against such amendment. In addition, these Bylaws may be amended by a vote of Members by written ballot as provided in these Bylaws. Notwithstanding anything to the contrary contained in this Article, the written approval of HUD or VA shall be required for any amendments enacted during the 75% Control Period if, at the time such amendment is enacted, HUD has insurance or VA has a guarantee(s) on one or more Security Interests and HUD or VA requires such approval.

ARTICLE 15. CONFLICTS OF PROVISIONS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Master Declaration and these Bylaws, the Master Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the Master Declaration, the Master Declaration shall control.

ARTICLE 16. FISCAL YEAR

The fiscal year of the Master Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of KENTFIELD MASTER ASSOCIATION, INC., have hereunto set our hands this 20th day of September, 2000.

DIRECTORS:



MORRIS BARBERA



GARY BROUKER


CYNTHIA MYERS

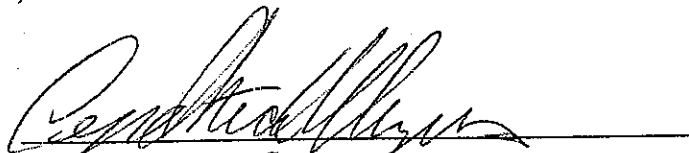
I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of KENTFIELD ASSOCIATION, INC., a Colorado non-profit corporation, and

That the foregoing Bylaws constitute the Bylaws of said Master Association as duly adopted at a meeting of the Board of Directors thereof, held on the 21st day of September, 2000.

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of said Master Association this 21st day of September, 2000.

(SEAL)


Cynthia M. Myers, Secretary



STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, DONETTA DAVIDSON, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT

ACCORDING TO THE RECORDS OF THIS OFFICE

KENTFIELD MASTER ASSOCIATION, INC.
(COLORADO NONPROFIT CORPORATION)

FILE # 20001184880 WAS FILED IN THIS OFFICE ON September 21, 2000
AND HAS COMPLIED WITH THE APPLICABLE PROVISIONS OF THE
LAWS OF THE STATE OF COLORADO AND ON THIS DATE IS IN GOOD
STANDING AND AUTHORIZED AND COMPETENT TO TRANSACT BUSINESS
OR TO CONDUCT ITS AFFAIRS WITHIN THIS STATE.

Dated: September 21, 2000

Donetta Davidson

SECRETARY OF STATE

FILED - CUSTOMER COPY
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

**ARTICLES OF INCORPORATION OF
OF
KENTFIELD MASTER ASSOCIATION, INC.**

In compliance with the requirements of the Colorado Revised Nonprofit Corporation Act, Sections 7-121-101 through 7-137-301, C.R.S., as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certified as follows:

ARTICLE 1. NAME

The name of the corporation is KENTFIELD MASTER ASSOCIATION, INC.; hereafter called the "Master Association."

ARTICLE 2. PRINCIPAL OFFICE

The principal office of the Master Association is c/o Kaufman and Broad of Colorado, Inc., 8401 East Belleview Avenue, Suite 200, Denver, Colorado 80237.

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ARTICLE 3. REGISTERED AGENT

Morris Barbera, whose address is c/o Kaufman and Broad of Colorado, Inc., 8401 East Belleview Avenue, Suite 200, Denver, Colorado 80237, is hereby appointed the initial registered agent of this Master Association, and such address shall be the registered address of this Master Association.

ARTICLE 4. PURPOSE AND POWERS OF THE MASTER ASSOCIATION

Section 4.1. This Master Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of certain property and improvements within the property described on Exhibit A to the Master Declaration (as hereinafter defined), and any additions thereto as may hereafter be brought within the jurisdiction of this Master Association (hereinafter called the "Community"), and to promote the health, safety and welfare of the residents within the Community, and to:

4.1.1. exercise all of the powers and privileges and perform all of the duties and obligations of the Master Association as set forth in that certain Master Declaration of Covenants, Conditions and Restrictions of Kentfield, hereinafter called the "Master Declaration," applicable to the Community and recorded or to be recorded in the Office of the Clerk and Recorder of Adams County, Colorado, as the same may be amended, clarified and supplemented from time to time, said Master Declaration being incorporated herein as if set forth at length (terms which are defined in the Master Declaration shall have the same meanings herein unless otherwise defined);

4.1.2. have and exercise any and all powers, rights and privileges which a corporation organized under the Colorado Revised Nonprofit Corporation Act by law may now or hereafter have or exercise;

4.1.3. exercise any powers enumerated in these Articles of Incorporation or in the Bylaws of the Master Association; and

4.1.4. exercise any other powers incidental to the governance and operation of the Master Association, including without limitation those powers granted in CCIOA.

ARTICLE 5. MEMBERSHIP

The Owners of each Lot which is now or hereafter subject to assessment as provided in the Master Declaration, including contract sellers, shall be a Member of the Master Association. Following termination of the Community, the membership shall consist of all former Owners entitled to distribution of proceeds under CCIOA or their heirs, personal representatives, successors or assigns. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Master Association. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains. Each Lot shall have one (1) membership in the Master Association and there is only one (1) Member per Lot, even if the Lot is owned by multiple Owners.

ARTICLE 6. VOTING RIGHTS

Section 6.1. All Members shall have voting rights as more fully provided in the Master Declaration, these Articles of Incorporation and the Bylaws of the Master Association, but subject to any limitations or restrictions contained therein.

Section 6.2. Cumulative voting is prohibited.

ARTICLE 7. BOARD OF DIRECTORS

The affairs of this Master Association shall be managed by a Board of Directors of five (5) directors, except that the Board which shall serve until fifty percent (50%) of the Lots that May Be Included have been conveyed to Owners other than the Master Declarant, shall consist of three (3) directors. Directors shall be Members which, in the case of any Members who are not natural persons, may include the officers, directors, partners, employees, members, or authorized agents of each such Member. Notwithstanding the foregoing, the number of directors may be changed from time to time as provided in the Bylaws; provided, however, that the number of directors may not be greater than nine (9) nor less than three (3). The names and addresses of the Persons who are to act in the capacity of directors until the selection of their successors are:

| <u>NAME</u> | <u>ADDRESS</u> |
|----------------|---|
| Morris Barbera | 8401 East Belleview Avenue, Suite 200 Denver, Colorado 80237 |
| Gary Brouker | 8401 East Belleview Avenue, Suite 200 Denver, Colorado 80237 |

Cynthia Myers

8401 East Belleview Avenue, Suite 200
Denver, Colorado 80237

The successors to the initial and subsequent Board of Directors shall be appointed or elected in the manner set forth in the Bylaws.

ARTICLE 8. DISSOLUTION

The Master Association may be dissolved with the assent given in writing and signed by the Members to whom at least sixty-seven percent (67%) of the votes in the Master Association are allocated. Upon dissolution of the Master Association other than incident to a merger or consolidation, the assets of the Master Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Master Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 9. OFFICERS

The Board of Directors shall appoint a president, a secretary, a treasurer and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the corporation. The officers shall have such duties as may be prescribed in the Bylaws and shall serve at the pleasure of the Board of Directors.

ARTICLE 10. DURATION

The Master Association shall exist perpetually.

ARTICLE 11. LIMITED LIABILITY OF DIRECTORS AND OFFICERS; INDEMNIFICATION

Section 11.1. There shall be no personal liability, either direct or indirect, of any director or officer of the Master Association to the Master Association or its Members, for monetary damages for any breach(es) of fiduciary duty as a director or officer; except that this provision shall not eliminate the liability of a director or officer, to the Master Association or its Members, for monetary damages for any breach, act, omission or transaction as to which the Colorado Revised Nonprofit Corporation Act (as in effect from time to time) expressly prohibits the elimination of liability. This provision is effective on the date of incorporation of the Master Association, and shall not eliminate or limit the liability of a director or officer to the Master Association or to its Members for monetary damages for any act or omission occurring prior to such date. However, this provision shall not limit the rights of directors or officers of the Master Association for indemnification or other assistance from the Master Association. Also, this provision shall not restrict or otherwise diminish the provisions of Section 13-21-116(2)(b), Colorado Revised Statutes, as amended, or any other law that would limit or eliminate liabilities. Any repeal or modification of the foregoing provisions of this Article by the Members, or any repeal or modification of the provisions of the Colorado Revised Nonprofit Corporation Act which permits the limitation or elimination of liability of directors or officers, shall not adversely affect any

elimination of liability, or any right or protection, for any breach, act, omission or transaction that occurred prior to the time of such repeal or modification.

Section 11.2. The Master Association shall indemnify its directors and officers as now or hereafter required by the Colorado Revised Nonprofit Corporation Act or CCIOA, and may indemnify its directors, officers, and employees as otherwise permitted by law or as the Board may deem appropriate from time to time.

ARTICLE 12. AMENDMENTS

Section 12.1. Amendment(s) of these Articles shall be approved if the votes cast by Members favoring the amendment exceed the votes cast by Members opposing the amendment at an annual or special meeting of the Members at which a quorum is present in person or by proxy; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Master Declaration. In addition to the foregoing, these Articles of Incorporation may be amended by a vote of Members by written ballot as provided in the Bylaws of the Master Association.

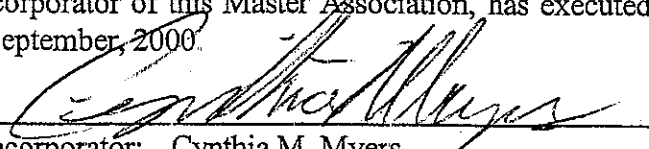
Section 12.2. Notwithstanding the foregoing, the Board of Directors may at any time amend these Articles of Incorporation, without Member action, as provided in the Colorado Revised Nonprofit Corporation Act (§7-130-102 or other applicable section(s)).

Section 12.3. Notwithstanding anything to the contrary contained in this Article, the written approval of HUD or VA shall be required for any amendments enacted during the 75% Control Period if, at the time such amendment is enacted, HUD has insurance or VA has a guarantee(s) on one or more Security Interests and HUD or VA requires such approval.

ARTICLE 13. CONFLICT OF PROVISIONS

In case of any conflict between the Master Declaration and these Articles of Incorporation, the Master Declaration shall control. In the case of any conflict between these Articles of Incorporation and the Bylaws of the Master Association, these Articles of Incorporation shall control.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Colorado, the undersigned, the incorporator of this Master Association, has executed these Articles of Incorporation this 20th day of September, 2000.

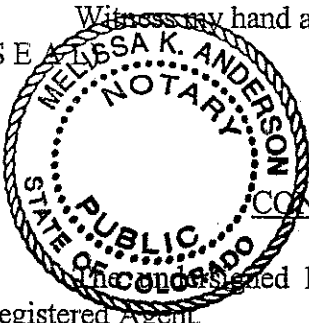

Incorporator: Cynthia M. Myers
Address: Kaufman & Broad of Colorado, Inc.
8401 E. Belleview Avenue, Suite 200
Denver, Colorado 80237

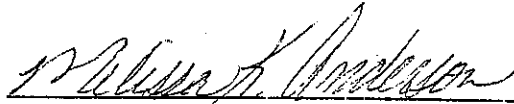
STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER)

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The foregoing ARTICLES OF INCORPORATION OF KENTFIELD MASTER ASSOCIATION, INC. were acknowledged before me this 20th day of September, 2000, by Cynthia M. Myers, Incorporator.

Witness my hand and official seal.
(SEAL)

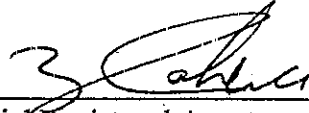




Notary Public
My Commission expires: 10/19/02

CONSENT OF THE INITIAL REGISTERED AGENT

The undersigned hereby consents to the appointment by the Corporation as its Initial Registered Agent.



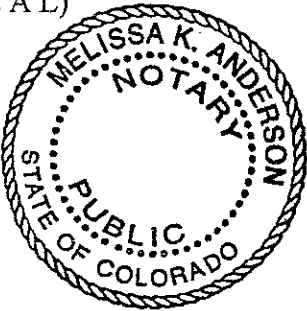
Initial Registered Agent

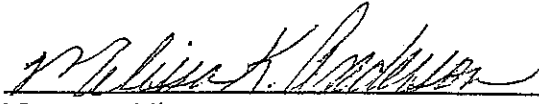
STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER)

ss.

The foregoing Consent of the Initial Registered Agent was acknowledged before me this 20th day of September, 2000, by Morris Barbera, Initial Registered Agent.

Witness my hand and official seal.
(SEAL)





Notary Public
My Commission expires: 10/19/02