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DECLARATION
OF
THE ANTLERS AT SAGEPORT

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**DECLARATION
OF
THE ANTLERS AT SAGEPORT**

THIS DECLARATION is made on the date hereinafter set forth by West Gold Holdings, Inc., a Colorado corporation, whose address is 56 Inverness Drive East, Suite 105, Englewood, CO 80112 ("Declarant").

RECITALS:

A. Declarant is the owner of certain real estate in Douglas County, State of Colorado, which is more particularly described as set forth in *Exhibit A* attached hereto and by reference made a part hereof.

B. Declarant desires to create a limited expense Planned Community on the real estate described in *Exhibit A*, and as may be added by supplement, under the name of "The Antlers at Sageport," in which portions of the real estate described in *Exhibit A* may be separately owned and in which real estate (Common Elements) may, or may not be designated for ownership by an owners association.

C. Declarant has caused the "The Antlers at Sageport Homeowners Association, Inc.," a Colorado nonprofit corporation, to be incorporated under the laws of the State of Colorado, as an owners' association, for the purpose of exercising the functions as herein set forth.

**ARTICLE 1
SUBMISSION/DEFINED TERMS**

Section 1.1 Submission of Real Estate. The Declarant hereby submits the real estate described in *Exhibit A* and such additional real estate as may be subsequently added pursuant to the expansion rights reserved in this Declaration, together with all easements, rights and appurtenances thereto and the buildings and improvements erected or to be erected thereon (collectively, the "Real Estate"), to the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*, as it may be amended from time to time (the "Act") as are applicable under the Act to a limited expense Planned Community, as set forth in Section 38-33.3-116 of the Act, and to the terms and conditions of this Declaration. In the event the Act is repealed, the Act on the effective date of this Declaration shall remain applicable. Declarant hereby declares that all of the Real Estate described in *Exhibit A* and as added by expansion, shall be held or sold, and conveyed subject to the following easements, restrictions, covenants and conditions included in this Declaration. Declarant further declares that this Declaration is made for the purpose of protecting the value and desirability of the Real Estate, that this Declaration shall run with the Real Estate and shall be binding on all parties having any right, title or interest in the

Real Estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Unit Owner thereof.

Section 1.2 Defined Terms. Each capitalized term in this Declaration shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration or as set forth below:

(a) **"Act"** shall mean the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.* as applicable to this Community, with this Community being designated a "limited expense Planned Community" under Section 38-33.3-116 of the Act or as the Act may be made applicable by the express terms of this Declaration, all as the Act may be amended from time to time.

(b) **"Assessment" or "Common Expense Assessment"** shall include all common expense assessments, insurance assessments, utility assessments and any other expense levied to a Unit pursuant to this Declaration or the Act.

(c) **"Association"** shall mean The Antlers at Sageport Homeowners Association, Inc., a Colorado nonprofit corporation, and its successors.

(d) **"Common Elements" or "Common Areas"** shall mean the real property owned by the Association, if any, and any easements designated or to be maintained by the Association as shown on the recorded plat.

(e) **"Common Expense"** shall mean any expenditure made a liability received by or on behalf of the Association, together with any allocations to reserves.

(f) **"Community"** shall mean and refer to the Planned Community of The Antlers at Sageport, which Planned Community is a "limited expense" Planned Community as defined in the Act and which Planned Community is also a Common Interest Community as defined in the Act.

(g) **"Declarant"** shall mean the Declarant named in this Declaration, and any successor and/or assignee designated by written notice or assignment executed by the Declarant designated in this Declaration and executed by the transferee and recorded, to the extent any rights or powers reserved to Declarant are transferred or assigned to that party.

(h) **"Design Review Committee"** means the committee initially created by the Declarant for the purpose of establishing architectural controls over the Common Interest Community to insure the proper use and appropriate development and improvement of the Common Interest Community so as to provide for harmonious development and improvement of the Common Interest Community.

(i) **"Development" or "Special Declarant Rights"** shall mean those rights set forth in this Declaration and those rights set forth in the Act.

(j) **"Executive Board", "Board" or "Board of Directors"** shall mean the body, regardless of name, designated in this Declaration to act on behalf of the Association.

(k) **"Governing Documents"** shall mean this Declaration, the plat, any map, the Articles of Incorporation and the Bylaws of the Association, as all of the foregoing may be amended from time to time.

(l) **"Improvement(s)"** shall mean and include, without limitation: (a) the landscaping, construction, installation, erection or expansion of any building, structure, outbuildings, swimming pools, patio covers, awnings, painting or other finish material of any exterior surfaces of any visible structure, additions, walkways, bicycle and/or other trails, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, and exterior air conditioning and water softener fixtures; or other improvements, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure or other improvements; (c) the grading, landscaping, excavation, filling or similar disturbances to the surface of the land including, without limitation, irrigation, change of grade, change of ground level, change of drainage pattern or change of stream bed; (d) landscaping, planting, clearing or removing of trees, shrubs, grass or perennial plants; and (e) any change or alteration of any previously approved improvement, including any change of exterior appearance, finish material, color or texture.

(m) **"Participating Builder"** means an Owner, other than the Declarant, who acquires a Unit without Improvements for occupancy constructed thereon from the Declarant for the purpose of constructing Improvements upon the Unit or for the purpose of reselling such Unit, to a third party, for sale or otherwise. Participating Builders must be assigned the rights established in this Declaration by the Declarant. Initial Participating Builders have approved this Declaration and have acknowledged their rights by their attached approvals to this Declaration.

(n) **"Real Estate"** shall mean the property described in *Exhibit A*, and such additional property as may be subsequently added, pursuant to the expansion rights reserved in this Declaration, together with all easements, rights and appurtenances thereto and the buildings and improvements erected or to be erected thereon. All easements and licenses which the Community is subject to as of the date of this Declaration, as may be recited in *Exhibit A*.

(o) **"Residence" or "Home"** shall mean the home constructed on a Unit.

(p) **"Unit"** shall mean a physical portion of the Community, designated for separate ownership, shown as a lot on the recorded plat, subject to this Declaration and subject to all easements reserved in this Declaration, or as may be subsequently created. The boundaries of Units are defined in the plat, and are subject to the terms of this Declaration.

(q) **"Unit Owner" or "Owner"** shall mean any person or entity that owns a Unit.

ARTICLE 2

NAMES/DESCRIPTION OF REAL ESTATE

Section 2.1 Name and Type. The type of Common Interest Community is a limited expense Planned Community. The name of the Planned Community is "The Antlers at Sageport." The name of the Association is the "The Antlers at Sageport Homeowners Association, Inc."

Section 2.2 Limited Expense Planned Community/Exempt from CCIOA. The Real Estate subject to this Declaration is intended to be and is exempt from the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-116, *et seq.*, as a limited expense Planned Community. The average annual common expense liability of each Unit restricted to residential purposes, exclusive of optional user fees and any insurance premiums paid by the Association, may not exceed the limitations imposed under 38.33.3-116, as that amount may be allowed to increase by law or consumer price increases. Accordingly, the Real Estate subject to this Declaration shall only be subject to Sections 105, 106 and 107 of the Colorado Common Interest Ownership Act and such other sections of the Act as specifically made applicable by the terms of this Declaration. Further, definitions used in the Colorado Common Interest Ownership Act shall apply herein, as set forth above.

Section 2.3 Real Estate. The Planned Community is located in Douglas County, State of Colorado. The initial Real Estate of the Planned Community is described in *Exhibit A*. All easements and licenses to which the Planned Community is presently subject are recited or will be recited upon additional property being annexed to this Declaration. Additional easements are established in the Act. The Planned Community may be subject to other easements or licenses granted pursuant to this Declaration, or granted by authority reserved in any recorded document or established in the Act.

Section 2.4 Utility Easements. Easements for utilities and other purposes over and across the Units and Common Elements may be as shown upon a recorded plat and on any recorded map of the Planned Community, and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document. Easements are also reserved along all private streets and Unit boundaries for utilities, street signs, stop signs, mail boxes and other Improvements as allowed or permitted by the Declarant or the Association.

Section 2.5 Mistletoe Notice. Dwarf mistletoe is a common problem in Colorado forests. Portions of the Planned Community may include ponderosa pine, lodgepole pine, limber pine, pinion pine and/or Douglas' fir trees infected with dwarf mistletoe. Dwarf mistletoe is a parasitic flowering plant that spreads by forcibly ejected seeds. The effects of dwarf mistletoe include growth reduction, loss of wood quality, poor tree form, predisposition to other insects and diseases, premature death, reduction in seeds, and other effects. Existing infection and further infections may be managed through buffer zones, pruning, removal or other means. Management of the infected trees or adjacent areas within the Planned Community may be imposed by the Association under the supervision of a forester experienced in dwarf mistletoe management.

Section 2.6 Easements for the Executive Board and Unit Owners. Each Unit shall be subject to an easement in favor of the Executive Board (including its agents, employees and contractors) and to each Unit Owner to allow for their performance of obligations in this Declaration. On exercising this easement right, the party exercising the right shall be responsible for any resulting damages, and a lien therefore is authorized and established against that party's property, pursuant to this Declaration.

Section 2.7 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Planned Community, to enter upon any part of the Planned Community in the performance of their duties.

Section 2.8 Drainage. There shall be no interference with the established drainage pattern over any Unit within the Real Estate, except as approved in writing by the Design Review Committee.

ARTICLE 3 THE ASSOCIATION

Section 3.1 Membership. Every person who is a record Unit Owner of a fee interest in any Unit which is subject to this Declaration shall be a "Member" of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be members.

Section 3.2 General Purposes and Powers of the Association. The Association, through its Executive Board, shall perform functions and manage the Planned Community as provided in this Declaration so as to protect the value and desirability of the Planned Community and the Units and to further the interests of the residents, occupants, tenants and guests of the Planned Community and Members of the Association. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.3 Authority of the Association. The business affairs of the Planned Community shall be managed by the Association. The Association shall be governed by the Act, this Declaration, the plat, any map, its Articles of Incorporation and Bylaws. The Executive Board may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility.

Section 3.4 Specific Powers. The Association shall have the powers, authority and duties as necessary and proper to manage the business and affairs of the Planned Community. The Association shall have all of the powers, authority and duties permitted or set forth in the Act. The Association shall have the power to assign its right to future income, including the right to assign its right to receive Common Expense Assessments, but only upon the affirmative vote of a majority of the Unit Owners present at a meeting called for that purpose.

Section 3.5 Allocated Interests. The Common Expense liability and votes in the Association allocated to each Unit are set as follows:

- (a) the percentage of liability for Common Expenses, equally;
- (b) the number of votes in the Association, equally.

If any Unit with individually metered utilities provides some of those utilities to the Association or to Common Elements of the Association, then that Unit and the Owner's Common Expense Assessment shall be credited by the Association for the reasonable value of the utilities provided. If Units are added to or withdrawn from the Planned Community pursuant to the provisions of this Declaration and the Act, the formulas set forth above shall be used to reallocate the Allocated Interests.

Section 3.6 Association Agreements. Any agreement for professional management of the Planned Community or any contract providing for services of the Declarant, may not exceed one (1) year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty (30) days' written notice. The Association shall not be bound either directly or indirectly to contracts or leases (including management contracts) entered into during the declarant control period unless the Association is provided with a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after the turnover date upon not more than thirty (30) days' notice to the other party thereto.

Section 3.7 Indemnification. To the full extent permitted by law, each officer and director of the Association shall be and are hereby indemnified by the Unit Owners and the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer or director of the Association, or any settlements thereof, whether or not they are an officer or director of the Association at the time such expenses are incurred; except in such cases wherein such officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Executive Board approves such settlement and reimbursement as being in the best interests of the Association.

Section 3.8 Declarant Control. The Declarant shall have the reserved power, to appoint and remove officers and members of the Executive Board until all Units are conveyed to Owners who purchase their Unit from Declarant or a Participating Builder. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant Control, but, in that event, the Declarant may require, for the duration of the period of Declarant Control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

ARTICLE 4

UNITS AND COMMON ELEMENTS

Section 4.1 Number of Units. The number of Units initially included in the Planned Community is forty-five (45) lots. Declarant reserves the right to create and add additional Units up to a total of fifty (50) or the maximum number of Units for the properties subject to this Declaration as allowed by any governmental entity having jurisdiction, which ever is greater.

Section 4.2 Identification of Units/Unit Descriptions. The identification of each Unit is shown on the plat. Every contract for sale, deed, lease, security interest, will or other legal instrument shall legally describe a Unit by its identifying Unit number, followed by the name of the Community, with reference to the plat, any map and the Declaration. Reference to the Declaration, plat and map in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration, plat or map, without specific references thereto.

Section 4.3 Unit Boundaries Owner Maintenance. Owners are responsible for the maintenance, repair and replacement of the Improvements, landscaping and properties located within their Unit boundaries. Specifically, Owners shall provide for all interior and exterior maintenance of all Improvements constructed on or as a part of a Unit. The planes defined by the boundary lines on the plat for the Real Estate are designated as boundaries of each Unit. Each Unit includes the spaces and improvements lying within the boundaries described above, and also includes the utilities, water lines and utility meters and communications, television, telephone and electrical receptacles and boxes serving that Unit exclusively, whether or not in the boundaries or contiguous to the Unit, unless the same are maintained by a governmental agency or entity.

Section 4.4 Association Maintenance. The Executive Board of the Association shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance responsibilities. The Association shall be responsible for the improvement, maintenance, repair, upkeep, reconstruction and replacement of the entry monument, detention ponds or areas, any perimeter landscaping (Common Elements); for the payment of expenses which may be incurred by virtue of maintenance, repair or replacement as set forth on the plat and final development plan, agreement with or requirement of any local governmental authority, Douglas County or other government authorities; and for operational expenses of the Association. Additionally, the Association shall be responsible for: the improvement, upkeep and maintenance, repair and reconstruction of storm drainage facilities located within easements (as required and set forth on the plat); all drainage facilities located within easements (as required and set forth on the plat), including culverts, channels, ditches, hydraulic structures, and detention basins and any outlets or other property owned by the Association and landscaped areas in dedicated public right of ways or public easements. In the event an Owner fails to implement applicable portions of any forest management plan as imposed by the Association, the Association may undertake such applicable portions of that management plan on an Owner's Unit and the Association may assess those expenses exclusively against that Unit Owner and their Unit.

Section 4.5 Common Elements. Common Elements may be deeded to and owned by the Association.

Section 4.6 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from the Common Elements without the prior written approval of the Association.

Section 4.7 Unit Owners' Easements of Enjoyment. Every Unit Owner shall have a right and easement access to their Unit and of enjoyment in and to any Common Elements and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions: (a) the right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements, to the extent permitted by the Act; (b) the right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements in the Common Elements.; and (c) the Development and Special Declarant Rights of the Declarant reserved in this Declaration.

Section 4.8 Delegation of Use. Any Unit Owner may delegate their right of enjoyment to the Common Elements and facilities to the members of their family, their tenants, guests, or contract purchasers who reside at their Unit.

ARTICLE 5

COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 5.1 Creation of Association Lien and Personal Obligation to Pay Common Expense Assessments. Declarant, for each Unit, shall be deemed to covenant and agree, and each Unit Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments, (subject to the limitations imposed by virtue of the Community being initially established as a "limited expense Planned Community)," and other assessments as imposed by the Association. Such assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall be the personal obligation of the Unit Owner of such Unit at the time when the assessment or other charges became or fell due. The Association annual Common Expense Assessments and such other assessments as imposed by the Association, including fees, charges, late charges, attorney fees, fines and interest charged by the Association, shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such assessment or charge is made. If any assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Unit Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense Assessments are made. All assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the

Association or the Executive Board is not properly exercising its duties and powers under this Declaration.

Section 5.2 Apportionment of Common Expenses. Except as provided in this Declaration, all Common Expense Assessments shall be assessed against all Units in accordance with formula for liability for the Common Expenses as set forth in this Declaration.

Section 5.3 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment may be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Executive Board. Common Expense Assessments may begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs. The omission or failure of the Executive Board to levy the assessment for any period shall not be deemed a waiver, modification or a release of the Unit Owners from their obligation to pay.

Section 5.4 Effect of Non-Payment of Assessments. Any assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, as established by the Executive Board, shall bear interest at the rate established by the Executive Board, on a per annum basis from the due date, and the Association may assess a reasonable late charge thereon as determined by the Executive Board. Failure to make payment within sixty (60) days of the due date thereof shall cause the total amount of such Unit Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Unit Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Unit Owner's Unit. An action at law or in equity by the Association against a Unit Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any assessment lien, and a Unit Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Unit Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 5.5 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation

of the Declaration; (2) a first lien security interest on the Unit (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Unit shall not affect the lien for said assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 5.6 Working Fund. The Association may require the first Unit Owner of each Unit (other than Declarant or a builder) to make a non-refundable payment to the Association in an amount equal to the annual Common Expense Assessment against that Unit in effect at the closing thereof, which sum shall be held, without interest, by the Association as a working fund. Said working fund shall be collected and transferred to the Association at the time of closing of the initial sale by Declarant or Participating Builder of each Unit, as aforesaid, and shall be for the use and benefit of the Association. Such payment shall not relieve a Unit Owner from making regular payments of assessments as the same become due.

Section 5.7 Exemption. Units owned by the Declarant or a Participating Builder shall not be subject to assessment until issuance of the final certificate of occupancy by the appropriate governmental authority for Improvements constructed on such Units and occupancy of those Improvements. Units owned by Declarant shall thereafter be assessed at the same rate as applicable to other Units. If the annual and special assessments levied by the Association as set forth in this Article shall not be sufficient in amount to allow the Association to reasonably discharge its responsibilities under this Declaration, the Articles and Bylaws, then the Declarant shall be responsible for the payment of such additional assessments as may be necessary to reasonably discharge the Association's duties and responsibilities.

ARTICLE 6

COVENANTS AND RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 6.1 Plat Restrictions. The restrictions, if any, included on the plat for the Real Estate are incorporated herein by this reference.

Section 6.2 Flexible Application of Covenants and Restrictions. The strict application of any restrictions or covenants in any specific case may be modified or waived, in whole or in part, by the Executive Board or by an appropriate committee (subject to review by the Executive Board) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

Section 6.3 Use/Occupancy. All Real Estate within the Community shall be used only for residential uses and/or uses or purposes as allowed by local zoning, control and regulation. The use of each Unit is restricted to that of a single family Residence. The term "single family Residence" means a single housekeeping unit and allows for a second Residence or home, if allowed by zoning, provided the second Residence or home is not rented to a third party. No buildings or structures shall be moved from other locations onto a Unit. Except for those activities conducted as a part of the marketing and development program of the Declarant and its assignees, no industry, business, trade or commercial activities, shall be conducted, maintained or permitted in any part of a Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes. Home professional pursuits are permitted, provided however, such activity must be conducted without employees, public visits or nonresidential storage or other similar uses. No Improvements located upon a Unit shall be occupied in any manner at any time prior to being fully completed in accordance with approved plans.

Section 6.4 Design Approval Required. Improvements to the Unit must first be approved by the Design Review Committee as set forth in this Declaration. Specifically, no structure, temporary building, trailer attachment, improvements, landscaping change shall be commenced, constructed, erected, placed or installed, including, but not limited to, a change in painting and/or staining of exterior siding, unless first submitted to and approved in writing by the Design Review Committee. No barn or other out-building shall be used or permitted to be kept or stored on any portion of a Unit, either temporarily or permanently, unless approved by the Design Review Committee. All additions to the Improvements on a Unit shall be of new construction.

Section 6.5 Setbacks. Setbacks are established for the front, side and rear Unit lines, and shall be as set forth on the plat, except when a variance is granted.

Section 6.6 Dwelling Size. No ranch or single story dwelling shall be permitted on any Unit with less than one thousand six hundred (1,600) square feet of improved enclosed space, excluding garages and basements, it being the intention and purpose hereof to assure that all ranch or one (1) story dwellings shall be of a size of not less than one thousand six hundred (1,600) square feet. No two (2) or multistory dwelling shall be permitted on any Unit with less than two thousand (2,000) square feet of improved enclosed space, excluding garages and basements, it being the intention and purpose hereof to assure that all two (2) or multistory dwellings shall be of a size of not less than two thousand (2,000) square feet.

Section 6.7 Leasing and Occupancy. Any Owner shall have the right to lease or allow occupancy of the Improvements on a Unit upon such terms and conditions as the Owner may deem advisable, subject to restrictions of this Declaration, subject to restrictions of record and subject to Rules and Regulations as may be adopted by the Association. Except as restricted in this Declaration, and such Rules and Regulations as the Association may promulgate, the right to lease or allow occupancy shall not be restricted.

Section 6.8 Units and Fences to be Maintained/Restrictions on Fences. Owners are responsible for the maintenance, repair and replacement of the Improvements, landscaping and properties located within their boundaries. Fences shall be maintained properly and shall not create a

hazard or nuisance to any adjoining parcel owner. Fences are restricted as set forth in this Declaration and the Design Guidelines. Each Unit, at all times, shall be kept well maintained, in good repair, and replacement, and in a clean, sightly, and wholesome condition. Trash, litter, junk, boxes, containers, bottles, cans implements, machinery, lumber or other building materials shall not be permitted to remain exposed upon or within any Unit so that the same are visible from any neighboring Unit, or any street, except as necessary during a period of construction. The Association and its agents, shall have the authority to enter, replace, maintain, repair and clean up Units which do not conform to the provisions of this Section, and to charge and collect from the Unit Owners thereof all reasonable costs related thereto as an assessment hereunder.

Section 6.9 Erosion and Sediment Control. Pursuant to the plat, construction on each Unit shall be completed with minimal disturbance to existing vegetation. Disturbed soils shall be protected against erosion by the Unit Owner by using landscaping materials or Douglas County approved dry land grass specifications. Douglas County approved sediment control measures should be utilized during construction.

Section 6.10 Restrictions on Vehicles, Vehicular Parking, Storage and Repairs.

(a) No vehicles, trailers or accessories thereto or equipment may be parked or stored on the streets within the Community for a period of longer than 72 hours.

(b) No more than four (4) vehicles may be maintained on a Unit, excluding those parking inside any Improvements, a Residence or a garage.

(c) Oversized vehicles, trailers, camping trailers, boat trailers, hauling trailers, boats, or accessories thereto, trucks, self-contained motorized recreational vehicles, or other oversized type of vehicle or equipment, may be parked or stored on a Unit if reasonably screened from view or if parked or stored within a garage. This restriction shall not apply to trucks or other commercial vehicles temporarily located within the Community which are necessary for construction or for the maintenance of the Access Easements, Real Estate or any Improvement located thereon.

(d) No abandoned vehicles of any kind shall be permitted on any Unit. A vehicle shall be considered "abandoned" if it remains nonoperative for a period of one (1) month or fails to have current registration and license plates. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer or boat may be performed or conducted on a Unit, except within a completely enclosed structure which screens the sight and sound of the repair of other activity from other Owners and residents.

Section 6.11 No Temporary Structures. Except during construction of Improvements on a Unit, no trailer, mobile home, tent or shack or other temporary building or similar structure shall be placed upon any Unit.

Section 6.12 Restrictions on Animals and Pets. Pets (including cats, dogs, other animals, birds and reptiles, and excluding horses and other farm animals) may be kept, maintained or harbored by Owners on Units within the Community, unless the pet becomes obnoxious to other Owners or occupants, in which event the person having control of the pet shall be given a written notice by the Association to correct the problem or remove the pet from the Community. The written notices provided for herein shall be issued by the authorized representative of the Association. Pets may not be kept for any commercial purposes. Owners or persons having control of a pet shall, while the pet is in the Community, be responsible for cleaning up after their pet and shall be deemed to hold the Association harmless from any claim resulting from any action of their pet and any costs incurred by the Association. Local government ordinances and restrictions on pet control shall also be enforceable as restrictions in the Community. The following covenants or other restrictions on pets are for the benefit of Owner, occupants, residents and wildlife within and around the Planned Community. The following covenants and restrictions are intended to be of considerable value to owners, occupants and residents and in reducing the harassment of wildlife by domestic pets and decreasing the potential of pets becoming victims to predators in the area.

Section 6.13 Restriction on Signs and Banners. No advertising, signs or banners of any character shall be erected, placed, permitted, or maintained on any Unit other than a for sale or for rent sign not to exceed four (4) square feet in size. Notwithstanding the foregoing, reasonable signs, advertising, or billboards used by the Declarant in connection with the sale or rental of the Units, or otherwise in connection with the sale or rental of the Units or otherwise in connection with the development of or construction on the Units, shall be permissible, provided that such use shall not interfere with an Owners' use and enjoyment of their Unit or with their ingress or egress from a public way to their Unit.

Section 6.14 Roof Apparatus. No types of refrigerating, cooling or heating apparatus shall be permitted on a roof and no such apparatus shall be permitted elsewhere on a Unit, except when appropriately screened and approved by the Design Review Committee.

Section 6.15 No Wind Generators. No wind generators of any kind shall be constructed, installed, erected, or maintained on the Units.

Section 6.16 Clotheslines and Storage. No clotheslines, equipment or storage areas shall be so located on any Unit as to be visible from a street and/or public view and/or from the Common Elements.

Section 6.17 Restriction on Garbage Collection. If garbage collection is ever a service of the Association to the Owners, no Owner shall have the right to engage or contract for garbage removal from their Unit, on a weekly or other basis, other than through the service provided by the Association.

Section 6.18 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within the Improvements constructed on a Unit.

Section 6.19 Cutting of Trees/Clearing of Units. No tree or trees or shrubs, or clearing of Units, whether of trees or shrubs now growing or hereafter grown upon any part of a Unit, shall occur without prior written approval of the Design Review Committee; provided, however, that this restriction shall not apply to a tree unless such tree is more than two (2) inches in caliper as measured one (1) foot above grade, and provided further that this restriction shall not be construed to limit in any way reasonable trimming of any trees upon a Unit.

Section 6.20 Outside Burning/Precaution for Fire Hazards. There shall be no exterior fires, except for a conventional barbecue. No Owner or Owners shall permit any condition on his Unit or Units which creates a fire hazard or is in violation of applicable fire prevention regulations.

Section 6.21 Defensible Space. As required by the plat and by the provisions of this Section, each Residence on a Unit shall be surrounded by a thirty (30) foot defensible space or area, for protection against wildfire. If not so completed, the Association, Board, or managing agent may perform such work at the Owner's expense in the same manner, and with the same methods to enforce payment, as set forth in this Declaration.

Section 6.22 Forest Management Plan. Each Owner consents to the implementation of a forest management plan as may be approved by the Colorado State Forest Service, a private forester or the Association under the guidance of a professional forester.

Section 6.23 Mountain Pine Beetle (MPB). Mountain Pine Beetle (MPB) is a forest pest that attacks and kills ponderosa pines. It has a one year life cycle, with a mass flight period occurring from July 15th to September 15th. Control measures should be completed prior to July 15th of each year. Inspections should be performed by a professional Forester or other plant professional experienced with MPB control.

Section 6.24 Mountain Pine Beetle Control. Access to all Units and Common Elements shall be granted for the purpose of Mountain Pine Beetle (MPB) control, to inspect, detect and, if required, the removal of infested trees. Cost of removal and/or treatment shall be the responsibility of each Unit owner. If the Unit owner fails to act in a timely manner necessary for prevention of spread of MPB, the Association may enter the Unit to perform appropriate control measures which may be assessed against the Unit and shall be considered an assessment.

Section 6.25 Living with Wildlife. Each Owner consents to and acknowledges their covenant and restriction to live harmoniously with wildlife.

Section 6.26 Bluegrass/Irrigated Lawns. Bluegrass or irrigated grass lawns are discouraged in the Community, and may be restricted by the water provider or local government.

Section 6.27 Construction Activities. During construction, all construction debris will be stored in a manner which will prevent it from being blown away or otherwise dislodged by storms or high winds.

Section 6.28 Restriction on Subdivision. Units may not be subdivided except as provided for as a reserved Development Right.

Section 6.29 Nuisances. No nuisance shall be permitted within the Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Owner or which may unreasonably interfere with the peaceful enjoyment or possession of the proper use of the Real Estate or Common Element, or any portion of the Community by Owners. No improper, offensive or unlawful use shall be permitted within the Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed. As used herein, the term nuisance shall not include any activities of Declarant or its assignees which are reasonably necessary to the development and construction of Improvements within this Community; provided, however, that such activities shall not reasonably interfere with any Owner's use and enjoyment of their Real Estate, or any Real Estate Owner's ingress and egress to or from their Real Estate and a public way.

Section 6.30 No Annoying Lights, Sounds or Odors. No light shall be emitted from any Unit or any portion of the Community which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any Unit or any portion of the Community which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spotlights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the Community except with the prior written approval of the Design Review Committee.

Section 6.31 No Restrictions on Sale of a Unit. The right of an Owner to sell, transfer or otherwise convey their Unit shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions, subject to the terms and conditions, covenant and restrictions of this Declaration.

Section 6.32 Restrictions on Hunting, Mining and Drilling. Hunting, mining and/or drilling shall not be permitted within the Community. More specifically, no part of the Community shall be used for the purpose or purposes of hunting, mining, quarrying, drilling, boring or exploring for or removing oil, gas, hydrocarbons, minerals, rocks, stones, gravel or earth, excepting all activities necessary or convenient to removing surface and/or groundwater.

Section 6.33 No Hazardous Activities/Firearms. No activity shall be conducted on any portion of the Community which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any portion of the Community.

Section 6.34 Underground Utilities. All utilities, including electrical, television, radio, and telephone line installations and connections from any property line of a Unit to a Residence or other structures shall be placed underground, except for above-ground utilities existing as of the date of this Declaration and except that during the construction of a Residence the contractor or builder may install a temporary overhead utility line which shall be promptly removed upon completion of construction.

Section 6.35 Antennae. Subject to federal statutes or regulations governing Planned Communities, no exterior television or other antennae, microwave dish, satellite dish, satellite antennae, satellite earth station or similar device of any type shall be erected, installed or maintained on the Common Elements of the Community or on a Residence, except as allowed by federal statutes and regulations. Any exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type erected, installed or maintained by an Owner is still subject to reasonable and valid safety restrictions, and reasonable restrictions as to screening of the device from view by neighboring Units. All costs associated with the installation or maintenance of any exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type by an Owner, including costs of repair, replacement improvement and maintenance of the structure to which such exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type is affixed, erected and/or installed upon, shall be the sole responsibility of that Owner. Although approved antennae may be installed on Units, all other exterior radio, TV or other antennae shall remain restricted from Units.

Section 6.36 Compliance with Laws. Nothing shall be done or kept on any Unit within the Real Estate in violation of any law, ordinance, rule, or regulation of any governmental authority having jurisdiction.

Section 6.37 Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, rules and regulations concerning and governing the Community or any portion thereof may be adopted, amended, or repealed, from time to time, by the Executive Board, or its successors and assigns. The Executive Board may establish and enforce penalties for the infraction thereof.

Section 6.38 No Restrictions on Sale of a Unit. The right of a Unit Owner to sell, transfer or otherwise convey their Unit shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions.

Section 6.39 No Restrictions on Mortgaging of a Unit. There are no restrictions on the right of the Unit Owners to mortgage or otherwise encumber their Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

Section 6.40 Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible for Declarant, its assigns, employees and agents, to perform such reasonable activities and to maintain upon portions of the Planned Community such facilities as deemed reasonably necessary or incidental to the construction and sale of Units in the development of the Planned Community, specifically including, without limiting the generality of the foregoing, the maintenance of temporary business offices, storage areas, trash bins, construction yards and equipment, signs, model units, temporary sales offices, parking areas and lighting facilities.

ARTICLE 7

DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 7.1 Development Rights and Special Declarant Rights. The Declarant reserves, for seven (7) years after the recording of this Declaration, the following Development Rights and Special Declarant Rights: (a) the right to relocate boundaries between adjoining Units, enlarge Units, enlarge the Common Elements, reduce or diminish the size of Units, reduce or diminish the size of areas of the Common Elements, subdivide Units or complete or make improvements; (b) the right to create or construct additional Units and Common Elements, to subdivide Units and to convert Units into Common Elements or to convert Common Elements into Units or other real property; (c) the right to add Units and to subject all or any part of the property described in *Exhibit B* attached hereto and hereby incorporated by reference and additional unspecified real estate to the provisions of this Declaration; (d) the right to amend the use restrictions included in this Declaration, together with the right to add new use restrictions; (e) the right to withdraw any Unit not yet conveyed to an Owner other than Declarant or any part of the Real Estate or the Common Elements from the Community; (f) the right to make amendments to the Declaration or other Governing Documents to meet or comply with any requirements of FHA or VA; (g) the right to exercise any development rights reserved or allowed in the Act; (h) the right to grant or convey, and the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary; (i) the right to change the name of the Community; (j) the right to record a map depicting easements on some or all of the Units; (k) the right to appoint or remove any officer of the Association or any Director during the Declarant Control period; (l) the right to exercise any additional reserve right created by any other provision of this Declaration; (m) the right to amend the Declaration in connection with the exercise of any Development Right; and (n) the right to amend the maps or plat in connection with the exercise of any Development Right.

Section 7.2 Additional Reserved Rights. In addition to the rights set forth above, Declarant also reserves the following additional rights:

(a) Sales. The right to maintain mobile and other sales offices, parking Units, management offices and models in Units or on the Common Elements.

(b) Signs. The right to maintain signs and advertising on the Planned Community to advertise the Planned Community or other communities developed or managed by or affiliated with the Declarant.

(c) Dedications. The right to establish, from time to time, by dedication or otherwise, public streets, utility and other easements for purposes including, but not limited to, public access, access paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas and to create other reservations, exceptions and exclusions.

(d) Use Agreements. The right to enter into, establish, execute, amend and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulations of

parking and/or recreational facilities and/or Common Elements, which may or may not be a part of the Planned Community.

(e) Construction Easement. Declarant and its assignees expressly reserve the right to perform warranty work, and repairs and construction work, and to store materials in secure areas, in Units and in Common Elements, and the future right to control such work and repairs and the right of access thereto, until completion. All work may be performed without the consent or approval of any Unit Owner or holder of a security interest. Declarant and its assignees have such an easement through the Common Elements as may be reasonably necessary for exercising reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the Real Estate.

(f) Access Easement. Declarant, and its successors and assigns, shall have an access easement to and from any real property accessible through the Planned Community.

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

Section 7.3 Rights Transferrable/Rights Transferred. Any rights created or reserved under this Article or the Act for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred recorded in the real property records of Douglas County, State of Colorado. Such instrument shall be executed by the transferor Declarant and the transferee. The rights transferred may then be exercised in compliance with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6) without the consent of the Association, any Unit Owners or any holders of a security interest in a Unit. Any rights created or reserved under this Article or the Act for the benefit of Declarant may also be transferred to the Association by an instrument describing the rights transferred recorded in the real property records of Douglas County, State of Colorado. Such instrument shall be executed by the transferor Declarant and the Association as transferee. The rights transferred may then be exercised by the Association in compliance with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6) with the consent of the appropriate Unit Owner(s) or any holders of a Security Interests on the Unit(s).

Section 7.4 No Further Authorizations Needed. The consent of Unit Owners or holders of security interests shall not be required for exercise of any reserved rights, and Declarant or its assignees may proceed without limitation at its sole option. Declarant or its assignees may exercise any reserved rights on all or any portion of the property in whatever order determined. Declarant or its assignees shall not be obligated to exercise any reserved rights or to expand the Planned Community beyond the number of Units initially submitted.

Section 7.5 Compliance with the Act/Amendment of the Declaration. If Declarant or its assignees elect to exercise any reserved rights, that party shall comply with the Act.

Section 7.6 Interpretation. Recording of amendments to the Declaration, plat or map pursuant to reserved rights in this Declaration shall automatically effectuate the terms and provisions of that

amendment. Further, such amendment shall automatically (a) vest in each existing Unit Owner the reallocated Allocated Interests appurtenant to their Unit, and (b) vest in each existing security interest a perfected security interest in the reallocated Allocated Interests appurtenant to the encumbered Unit. Further, upon the recording of an amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Planned Community as expanded and to any Additional Improvements, and the same shall be added to and become a part of the Planned Community for all purposes. All conveyances of Units after such amendment is recorded shall be effective to transfer rights in all Common Elements, whether or not reference is made to any amendment of the Declaration, plat or map. Reference to the Declaration plat or map in any instrument shall be deemed to include all amendments to the Declaration, plat and the map without specific reference thereto.

Section 7.7 Termination of Reserved Rights. The rights reserved to Declarant, for itself, its successors and assigns, shall expire as set forth above or in the Act, unless (i) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the expansion rights by Declarant, (ii) extended as allowed by law or, (iii) terminated by written instrument executed by the Declarant, recorded in the records of the Clerk and Recorder of Douglas County, State of Colorado.

Section 7.8 Additions by Others. Additions of Units to the Planned Community may be made by others than the Declarant, upon approval of the Association pursuant to a vote of a majority of a quorum of its members and upon approval of two-thirds (2/3) of the Eligible Holders of first lien Security Interests. Such approval by the members and Eligible Holders of first lien Security Interests shall be evidenced by a certified copy of such resolution of approval and a supplement or amendment to this Declaration, both recorded in records of the Clerk and Recorder of Douglas County, State of Colorado.

ARTICLE 8

ARCHITECTURAL APPROVAL AND REVIEW

Section 8.1 Required Approvals of Improvements and Contractors. Improvements to a Unit, and all landscaping changes are restricted without the prior written approval of the proposed Improvements and the contractor or builder proposed to construct the proposed Improvements by the Design Review Committee. Specifically: (a) no structure or any attachment to a Unit or to the exterior of the Improvements on a Unit and no fence, mailbox, flagpole or landscaping shall be constructed, erected, placed or installed, including, but not limited to, a change in painting and/or staining of exterior siding, unless complete plans and specifications thereto (said plans and specifications to show exterior design, height, materials, color, location of the structure or addition to the structure, plotted horizontally and vertically, location and size of driveways, general plan of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the committee and shall have been first submitted to and approved in writing by the Design Review Committee, and (b) no contractor or builder shall construct any structure or attachment to a Unit or to the exterior of the Improvements on a Unit, or shall construct, erect, place or install any fence, mailbox or landscaping,

including, but not limited to, painting and/or staining of exterior siding, unless such contractor or builder shall have been first submitted to and approved in writing by the Design Review Committee. Additionally, the primary Residence on a Unit must be constructed at the same time as any garage or outbuildings, such that Owners may not construct a garage or any outbuildings without also then constructing their primary Residence.

Section 8.2 Design Criteria. The Design Review Committee shall exercise its reasonable judgment to the end that all attachments, Improvements, construction, landscaping and alterations to Units shall comply with the requirements set forth herein. The approval or consent of the Design Review Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious; decisions shall be conclusive and binding on all interested parties. Approval shall be based upon, but not limited to, conformity and harmony of exterior appearance of structures with neighboring structures, effective location and use of Improvements on nearby Units, preservation of aesthetic beauty, compliance with the restrictions contained in this Declaration and conformity with the specifications and purposes generally set out in this Declaration. Prior to its review of any plans, specifications and submittals, the Design Review Committee may require applicant(s) to pay any application fees as set forth in the guidelines.

Section 8.3 Establishment of the Design Review Committee. The Design Review Committee (the "Design Review Committee" or "Committee"), shall consist of up to three (3) members. Until ten (10) years from the date this Declaration is recorded Declarant shall appoint all members of the Design Review Committee. Real Estate owned by the Declarant shall be exempt from any control by the Committee. After expiration of Declarant's appointment rights, the Design Review Committee shall then be comprised completely of Owners, without regard to any special qualifications, and the members of the Committee shall then be appointed by the Association. Until that date, Declarant, in its sole discretion, may at any time grant the power of appointment of the members of the Design Review Committee, and the chairman thereof, to any entity succeeding to the assets of Declarant, or to the Association. Notwithstanding the above, appointments shall be for staggered terms of years so as to provide reasonable continuity to the design review process. Until ten (10) years from the date this Declaration is recorded, the Declarant may remove any appointee at any time upon written notice to such appointee.

Section 8.4 Guidelines. To supplement the provisions of this Section, and this Declaration, the Design Review Committee may adopt guidelines.

Section 8.5 Fencing. Fences and walls are both architectural and landscape architectural design elements, depending on how they are used, and are subject to provisions of this Section. Fences are discouraged in the Community, but will be considered on an individual basis and must be approved by the Design Review Committee. Fences should be an extension of the architecture of the Residence and be constructed of natural materials. Such materials as rock and wood are appropriate for fencing and should be left natural to help them blend into their surroundings. Chain link fences are not permitted unless reasonably screened from view from other Units. The Design Review Committee may adopt design guidelines detailing the types of fences approved or not allowed.

Section 8.6 Roofing. Roofing materials should be of a fire classification or rating as required by the plat or local government, and should be of a texture and color that harmonizes with the environment.

Section 8.7 Reply and Communication. The Design Review Committee shall reply to all submittals of all plans made in accordance herewith in writing within thirty (30) days after receipt and as set forth in any guidelines. Where prior written consent of approval of the Design Review Committee is required under the Declaration with respect to the making of an Improvement, such Improvements shall be conclusively deemed to have been made in compliance with this Declaration unless a notice of intention to commence legal action challenging and objection thereto is issued by the Design Review Committee within one hundred eighty (180) days after completion of such Improvement. All communications and submittals shall be addressed to the Design Review Committee at such address as the chairman of the Design Review Committee shall hereafter designate in writing addressed and mailed to the Owners.

Section 8.8 Variances. The Design Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in these covenants. Such variances or adjustments shall be granted only when the granting thereof shall not be materially detrimental or injurious to the other Units nor deviate substantially from the general intent and purpose of this Declaration. In the event that the request for a variance is disapproved by the Design Review Committee, the applicant shall have the right of appeal to the Executive Board of the Association.

Section 8.9 Waivers. The approval or consent of the Design Review Committee, or appointed representative thereof, to any application for design approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 8.10 Liability. The Design Review Committee and the members thereof, as well as any representative of the committee designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or to any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants.

Section 8.11 Records. The Design Review Committee shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto. Such records shall be open and available for inspection by any interested affected party during reasonable hours of the business day.

Section 8.12 Enforcement. Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. Upon recommendation from the Design Review Committee, the Association and any interested Owner shall have the right but not the obligation to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this section, the Association 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 of the Association or of any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 8.13 Prosecution of Work After Approval. After approval of any proposed improvement to the Unit, the proposed improvement to the Unit shall be accomplished as diligently and promptly as possible and in complete conformity with the description of the proposed improvement to the Unit, any materials and documents submitted to the Design Review Committee in connection with the proposed improvement to the Unit, and any conditions imposed by the Design Review Committee. Failure to complete the proposed improvement to the Unit within twelve (12) months after the date of approval, or such shorter period as specified in writing by the Design Review Committee, or to complete the improvement to the Unit in accordance with the description and materials and documents furnished to, and the conditions imposed by, the Design Review Committee, shall constitute a breach of these covenants and noncompliance with the requirements for approval of improvements to the Unit. If construction has not commenced within one (1) year of the approval, the approval shall be deemed to have terminated, and construction after that date shall require a new application pursuant to the terms of this Declaration.

ARTICLE 9 INSURANCE/CONDEMNATION

Section 9.1 Hazard Insurance on the Units. Each Unit Owner may obtain hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to their Unit and the other property of that Owner.

Section 9.2 Insurance to be Carried by the Association. The Association shall obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth herein and as set forth in the Act, which insurance coverage shall include the following terms and shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado commencing not later than the time of the first conveyance of a Unit to a person other than Declarant, or the first occupancy of a Unit:

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

(b) All liability insurance shall be carried in blanket form, naming the Association, the Board, the manager or managing agent, if any, the officers of the Association, the Declarant, their successors and assigns as insureds.

Section 9.3 Hazard Insurance on the Common Elements. The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to the Common Elements and the other property of the Association.

Section 9.4 Association Liability Insurance. The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering the Common Elements, in such limits as the Board may determine from time to time, but not in any amount less than One Million Dollars (\$1,000,000) per injury, per person and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association.

Section 9.5 Association Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

Section 9.6 Association Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 9.7 Officers' and Directors' Personal Liability Insurance. The Association may obtain officers' and directors' personal liability insurance to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association.

Section 9.8 Other Association Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 9.9 Insurance Premium. Except as assessed in proportion to risk, insurance premiums for insurance provided by the Association shall be a Common Expense to be included as a part of the annual assessments levied by the Association.

Section 9.10 Managing Agent Insurance. The manager or managing agent, if any, shall be adequately insured for the benefit of the Association and shall maintain and submit evidence of such coverage to the Association.

ARTICLE 10

GENERAL PROVISIONS

Section 10.1 Enforcement. The Association or a Unit Owner may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorneys' fees incurred in enforcing these covenants, or to restrain such violation or attempted violation. Failure of the Association or of any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 10.2 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 10.3 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 10.4 Amendment of Declaration, Map or Plat by Declarant. If Declarant shall determine that any amendments to this Declaration, the plat or the map shall be necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement or for any changes to property not yet part of the Community, then, subject to the following sentence of this Section, Declarant shall have the right and power to make and execute any such amendments without obtaining the approval of any Unit Owners. Each such amendment shall be made, if at all, by Declarant prior to the expiration of seven (7) years from the date this Declaration is recorded. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to an amendment under this section on behalf of each Unit Owner and holder of a security interest. Each deed, security interest, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to make, execute and record an amendment under this Section.

Section 10.5 Amendment of Declaration by Unit Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of at least sixty-seven percent (67%) of the votes in the Association and with the written consent of the Association. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Douglas County, State of Colorado of a certificate setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

Section 10.6 Amendment Required by Mortgage Agencies. Prior to seven (7) years after recording of this Declaration, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which a holder of a first lien security interest, or FHA, VA, FHLMC, GNMA, FNMA or any similar entity authorized to insure, guarantee, make or purchase mortgage loans requires to be amended or repealed may be amended or repealed by Declarant or the Association. Any such amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Douglas County, State of Colorado of a certificate setting forth the amendment or repeal in full.

Section 10.7 Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of this Declaration reserving development rights or for the benefit of the Declarant, or the assignees, shall not be effective unless Declarant, and its assignees, if any, have given written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant or its assignees of any certificate of amendment or repeal. The foregoing requirement for consent to any amendment or repeal shall terminate seven (7) years after the recording of this Declaration, or upon conveyance of one hundred percent (100%) of the Units to Unit Owners, whichever occurs first.

Section 10.8 Required Consent of VA/FHA to Certain Amendments. While the Declarant is in control of the Association (i.e., Unit Owners other than Declarant have not yet elected a majority of the Executive Board), amendments to the Declaration, Articles of Incorporation or Bylaws of the Association must first be approved by the VA or FHA if either VA or FHA has approved the Planned Community for VA guaranteed or FHA insured loans. Further, the Association may not be merged or consolidated with another association without the prior written consent of the VA or FHA if either VA or FHA has approved the Planned Community for VA guaranteed or FHA insured loans.

Section 10.9 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 10.10 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Units and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 10.11 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized agent this 30th day of May, 2000.

West Gold Holdings, Inc.,
a Colorado corporation

By:

[Signature]
Richard O. Dean, President

STATE OF COLORADO)
) ss.
COUNTY OF Adams)

The foregoing Declaration was acknowledged before me on this 30th day of May, 2000, by Richard Dean as President of West Gold Holdings, Inc. a Colorado corporation.

Witness my hand and official seal.

[Signature]
Notary Public My Commission Expires
My commission expires: 11/03/2002

EXHIBIT A

DESCRIPTION OF REAL ESTATE

Lots 1 through 45, inclusive, and Tracts A and B, of Sage Port Filing No. 6B, Douglas County, Colorado, as recorded at Reception No.00015659 in the records of the Clerk and Recorder of Douglas County, Colorado.

Subject to the terms, conditions, obligations and provisions of documents and exceptions to the title of record including the following:

1. Document recorded March 9, 1930 in Book 83, Page 452.
2. Instrument recorded August 12, 1971 in Book 220, Page 763 and by instrument recorded September 9, 1986 in Book 664, Page 151.
3. Recorded plats.

EXHIBIT B

**OTHER PROPERTIES WHICH MAY
BE ADDED TO THE DECLARATION**

All or any part of a Unit or parcel (in addition to those set forth in Exhibit A) located in Sections 22 or 23, Township 11 South, Range 67 West of the 6th P.M., County of Douglas, Colorado, provided that the owner thereof consents; or other property adjacent to the Real Estate, or located across a public street or access easement, within Douglas County, State of Colorado, provided the owners thereof consent.

EXHIBIT C

PARTICIPATING BUILDER CONSENT

The undersigned, being the owner of or upon taking title to real property Subject to this Declaration, does hereby consent to, ratify, confirm, adopt and approve the provisions of the foregoing Declaration. Further, the undersigned does hereby acknowledge and agree that the foregoing described property shall be Subject to all terms, conditions and provisions of this Declaration and that the undersigned is designated as a "Participating Builder" under the Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Consent this _____ day of _____, 2000.

ASHCROFT HOMES, ~~INC.~~ Inc.

By: _____
Authorized Agent

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing was acknowledged before me this _____ day of _____, 2000, by _____, as Authorized Agent of Ashcroft Homes, ~~INC.~~ Inc.

Witness my hand and official seal.

My commission expires: _____.

Notary Public