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MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
VISTA RIDGE

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MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR VISTA RIDGE

Vista Ridge Development Corporation, a Colorado corporation whose address is 1333 W. 120th Ave., Suite 100, Westminster, Colorado 80234 ("Declarant") hereby submits the real property in Weld County, Colorado described on Exhibit A attached and incorporated herein, to the provisions of the Colorado Common Interest Ownership Act, Colorado Revised Statute 38-33.3-101 et seq., as amended, for the purpose of creating the Vista Ridge Master Homeowners Association, Inc. and making the improvements shown in the Plat. Declarant hereby DECLARES that the property described in Exhibit A shall be held and conveyed subject to the following terms, covenants, restrictions and conditions, which shall run with the above described property and be binding on all parties having any right, title, or interest therein or any part thereof, their heirs, personal representatives, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1.1. Act: The Colorado Common Interest Ownership Act, as it may be amended from time to time.

Section 1.2. Affiliate: Those Air Park Owners exercising rights pursuant to the provisions of Section 4.2 hereof. The act of exercising such rights and benefits shall hereafter be referred to as an Affiliation.

Section 1.3. Agencies: The Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA) or any other governmental or quasi-governmental agency or any other entity which may perform functions similar to those currently performed by such entities.

Section 1.4. Air Park Owner: Any person who is the Owner of record of the fee simple title to any of the parcels of real property described in Exhibit B, attached hereto and incorporated herein by this reference and which parcels are restricted to non-commercial uses, except that if ownership is in more than one Owner, then such Owners, as between them, shall designate one Person who shall be entitled to exercise the rights contained herein available to Affiliates.

Section 1.5. Allocated Interests: The Common Expense liability and votes in the Association which are allocated to Lots and Units. The Common Expense liability for each Lot and Unit shall be a fraction, the numerator of which is one and the denominator of which is the total number of Lots and Units then in the Common Interest Community.

Section 1.6. Architectural Review Committee: The committee appointed by the Board of Directors to review and approve or disapprove plans for Improvements submitted by any Owner, as provided in Article VIII of this Declaration.

Section 1.7. Articles of Incorporation: The Articles of Incorporation of the Association, as they may be amended from time to time.

Section 1.8. Association: Vista Ridge Master Homeowners Association, Inc., a Colorado nonprofit corporation organized pursuant to Section 38-33.3-220 of the Act; sometimes hereinafter referred to as Master Association.

Section 1.9. Board of Directors or Board: The Board elected pursuant to the Association's Bylaws or appointed by the Declarant; the "Executive Board" as the term is used in the Act.

Section 1.10. Builder or Developer: Any Person who acquires any part of the Property to construct Initial Improvements thereon.

Section 1.11. Bylaws: The Bylaws of the Association, as they may be amended from time to time.

Section 1.12. Common Elements: Any Property within the Common Interest Community owned or leased by the Association or owned or leased by others but maintained by the Association for the benefit of its Members. The Common Elements upon execution of this Declaration by Declarant are described in Exhibit C to this Declaration.

Section 1.13. Common Expenses: The expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, including, but not limited to:

A. Expenses of administration, maintenance, repair or replacement of any Common Elements or property owned or maintained (under an easement, license or contract) by the Association;

B. Expenses declared to be Common Expenses by the Documents or by the Act;

C. Expenses agreed upon as Common Expenses by the Board;

D. Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held or maintained (under an easement, license or contract) by the Association; and

E. The costs and expenses imposed on the Association, benefitting fewer than all the Lots and Units, when assessed exclusively against those Lots and Units benefitted, which may include late charges, attorneys' fees, fines, and interest charged by the Association.

Section 1.14. Common Expense Assessments: The funds required to be paid by each Owner in payment of a Common Expense liability, including Annual Common Expense Assessments, Special Assessments, and Common Expenses attributable to fewer than all Lots and Units.

Section 1.15. Common Interest Community: The real property subject to this Declaration.

Section 1.16. Declarant: Vista Ridge Development Corporation, a Colorado corporation, or its successors or assigns as defined in Section 38-33.3-103(12) of the Act.

Section 1.17. Declaration: This document, including any amendments and Plats and Maps; sometimes hereinafter referred to as Master Declaration.

Section 1.18. Development Property: The real property described in Exhibit D attached hereto and incorporated herein by this reference, which is subject to the provisions of Article V.

Section 1.19. Development Rights: The rights as defined by Section 38-33.3-103(14) of the Act reserved by the Declarant under Article V of this Declaration.

Section 1.20. Director: A member of the Board of Directors.

Section 1.21. Documents: This Declaration, the Plat, Maps, Articles of Incorporation, Bylaws, architectural guidelines, and the Rules as they be amended from time to time.

Section 1.22. Dwelling Unit: The residence constructed on each Lot within the Common Interest Community and any replacement thereof, including the patio, deck, basement, garage, and out buildings, if applicable. Dwelling Unit shall include the Lot upon which such Dwelling Unit is constructed.

Section 1.23. First Security Interest: A Security Interest that has priority of record over all other recorded liens except those liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 1.24. Golf Course: That real property described in Exhibit E attached hereto and incorporated herein by this reference, as it may be amended from time to time.

Section 1.25. Golf Course Owner: Any Person who is the Owner of record of the fee simple title to the Golf Course, and their invitees, lessees, licensees, employees, independent contractors, successors or assigns, who engage in the business of owning, operating, keeping, running or handling the Golf Course and its operations, or any part thereof.

Section 1.26. Improvements: Any exterior construction, structure, fixture, landscaping or facilities existing or to be placed on a Lot or appurtenant to a Unit constructed in the Common Interest Community, other than Initial Improvements, including but not limited to: buildings, outbuildings, swimming pools, tennis courts, patios, patio covers, awnings, solar collectors or panels, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, carports, driveways, fences, screening walls, retaining walls, stairs, decks, drainage facilities, landscaping (including any material change in slope, pitch or drainage pattern), hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, antennas, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment.

Section 1.27. Initial Improvements: Except for Improvements defined in Section 1.26 above, any improvements of any nature whatsoever constructed (other than by Declarant) on any part of the Property, including but not limited to: (a) the construction, installation, erection or expansion of any building, structure or other improvements, including utility facilities; (b) the grading, excavation, filling or similar disturbance to the surface of the Property including, without limitation, change of grade, ground level, and drainage pattern; (c) landscaping, planting, clearing or removing of trees, shrubs, grass or perennial plants; and (d) any change, alteration, modification, expansion, or addition by a Builder or Developer to any previously approved Initial Improvement, including any change of exterior appearance, finish material, color or texture.

Section 1.28. Limited Common Element: Any portion of the Common Interest Community designated as a Limited Common Element on the Plat or any Map or from time to time, as designated by Declarant pursuant to the provisions of Article V, or by the Association in accordance with Section 3.4 hereof, which is for the exclusive use and benefit of the Owners of certain Lots or Units, as may be provided herein or in a Supplemental Declaration covering such portion of the Common Interest Community. Such Limited Common Element may be owned (a) by a Subassociation in which all Owners within the Subassociation shall be entitled to membership, or (b) in undivided interests by such Owners, or (c) separately by individual Owners over which the Association or a Subassociation may have an easement for maintenance or other purposes, or (d) by a cooperative housing corporation as defined in Section 216 of the Internal Revenue Code of 1986, as amended.

Section 1.29. Lots: Each platted lot which is a physical portion of the Common Interest Community without horizontal boundaries, other than Common Elements, designated for separate ownership or occupancy, the boundaries of which are described on the Plat.

Section 1.30. Majority of Owners: More than fifty percent (50%) of the votes in the Association.

Section 1.31. Manager: A person, firm or other business entity employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.32. Map: A depiction in three dimensions of any Subassociation having horizontal boundaries, as required by the Act.

Section 1.33. Member: Each Owner, as set forth in Sections 1.35 and 4.1 below.

Section 1.34. Notice and Hearing: The right of an Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to be heard thereon, as provided for herein, or in the Bylaws.

Section 1.35. Owner: Any Person who is the owner of record of the fee simple title to any Lot or Unit, but not a Person having an interest in a Lot or Unit solely as security for an obligation. The Declarant is the initial owner of any Lot or Unit created by or subject to this Declaration.

Section 1.36. Period of Declarant Control: That period of time defined in Section 4.4 below.

Section 1.37. Permitted User: (a) Any person who resides with an Owner; (b) an Owner's guest or invitee; or (c) an occupant or tenant of a Dwelling Unit and any member of his or her household, invitee or cohabitant of any such person.

Section 1.38. Person: A natural person, corporation, trust, partnership, limited liability company, association, joint venture, or other legal or commercial entity or combination thereof.

Section 1.39. Plat: The plat for the Common Interest Community (as defined in C.R.S. §38-33.3-103 and §38-33.3-209), filed in the office of the Weld County Clerk and Recorder, Weld County, Colorado, as it may be amended from time to time.

Section 1.40. Property: The Lots, Units, Common Elements and Improvements subject to this Declaration.

Section 1.41. Recreational Facilities: Those Common Elements described as Recreational Facilities in Exhibit C to this Declaration.

Section 1.42. Rules: Rules and regulations adopted, amended or supplemented by the Board from time to time pursuant to this Declaration.

Section 1.43. Security Interest: An interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, assignment of lease or rents intended as security, pledge of an ownership interest, and any other consensual lien or title retention contract intended as security for an obligation. "Security Interest" shall also 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 Office of the Clerk and Recorder of Weld County, Colorado, show the Administrator as having the record title to the Lot or Unit.

Section 1.44. Special Assessments: Those Common Expenses Assessments defined in Subsection D of Section 7.1 below.

Section 1.45. Special Declarant Rights: Rights reserved for the benefit of a Declarant as described in Article V of this Declaration.

Section 1.46. Subassociation: Any Colorado corporation, or unincorporated association, or other authorized entity and its successors and assigns, organized and established or authorized pursuant to, or in connection with, one or more declarations pertaining to such Subassociation and of which the membership is composed of Owners of Lots or Units within all or part of the area covered by this Master Declaration. In the event of any conflict between the documents or procedures governing the operation of the Subassociation and the documents or procedures governing the operation of the Master Association, the documents or procedures governing the operation of the Master Association shall control.

Section 1.47. Units: The physical portion of the Common Interest Community having horizontal boundaries, other than Common Elements, designated for separate ownership or occupancy, the boundaries of which are depicted on a Map.

Section 1.48. Vista Ridge Development Guide: Exhibit B to the Vista Ridge Annexation Agreement recorded September 15, 2000, at Reception No. 2973930 in the offices of the Clerk and Recorder of Weld County, Colorado, as amended from time to time.

ARTICLE II
SCOPE OF THE COMMON INTEREST COMMUNITY AND ASSOCIATION

Section 2.1. The Common Interest Community: The name of the Common Interest Community is Vista Ridge. It is a planned community.

Section 2.2. The Association: The name of the Association is Vista Ridge Master Homeowners Association, Inc.

Section 2.3. Maximum Number of Lots and Units: The Declarant reserves the right to create a maximum of 2,494 Lots and Units.

Section 2.4. Identification of Lots and Units: The identification number of each Lot or Units is shown on the Plat or Map.

Section 2.5. Lot and Unit Boundaries: The boundaries of each Lot and Unit are located as shown on the Plat or Map.

ARTICLE III
THE COMMON ELEMENTS; ASSOCIATION'S RIGHTS

Section 3.1. Title to the Common Elements: The Declarant hereby covenants that it will convey the Common Elements to the Association by appropriate instrument, suitable for recording, as appropriate, in the records of the Weld County Clerk and Recorder.

Section 3.2. Duty to Accept the Common Elements Transferred by Declarant: The Association shall accept title to the Common Elements conveyed by Declarant and agrees to own and maintain any property, including all Improvements located thereon, and personal property relating thereto, transferred to the Association by Declarant as Common Elements. Any property or interest in property transferred to the Association by Declarant shall be transferred to the Association free and clear of all liens and encumbrances (other than the lien of real estate taxes not then due and payable).

Section 3.3. Owners' Easements: Every Owner shall have a nonexclusive right and easement for the purpose of access to his or her Lot or Unit 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 or Unit. Any Owner may delegate his or her right of enjoyment to the Common Elements and facilities to his or her Permitted Users.

Section 3.4. The Association's Rights: The rights of each Owner shall be subject to the Development Rights and Special Declarant Rights reserved herein and the following rights of the Association:

A. To make improvements to the Common Elements, and to borrow money to improve the Common Elements and to mortgage said property as security for any such loan; provided, however, the Association may not subject any portion of the Common Elements to a Security Interest unless such is approved by sixty-seven percent (67%) of the Owners of Lots and Units not owned by the Declarant.

B. To convey or dedicate all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by sixty-seven percent (67%) of the Owners of Lots and Units not owned by the Declarant, and unless written notice of the proposed agreement and the proposed dedication or transfer is sent to every Member at least thirty (30) days in advance of any action taken. The granting of permits, licenses and easements for public utilities or for other purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause.

C. To adopt and distribute Rules to Owners with which each Owner and their Permitted Users shall strictly comply.

D. To suspend the voting rights of a Member for any period during which any Common Expense Assessment remains unpaid and for a period not to exceed sixty (60) days thereafter, and for any infraction of the Declaration, Bylaws or Rules, unless the infraction is ongoing, in which case the suspension shall continue for the duration of the infraction and for a maximum of sixty (60) days thereafter.

E. To take such steps as are reasonably necessary to protect the Common Elements against foreclosure.

F. To enter into, make, perform or enforce any contracts, leases, agreements, licenses, easements and rights-of-way, for the use of Common Elements by Owners and Permitted Users for any purpose(s) the Board may deem to be useful, beneficial or otherwise appropriate.

G. To close or limit the use of the Common Elements temporarily while maintaining, repairing and making replacements in the Common Elements, or permanently if approved by a sixty-seven percent vote of Members present in person or by proxy at a meeting duly held.

H. To make the Common Elements available for use by non-Members on such terms as the Board deems appropriate, and to Affiliates as provided in Section 4.2.

I. To create or reallocate Limited Common Elements among Lots and Units in accordance with the Act.

J. To acquire, construct, operate, manage, maintain, repair and replace public facilities and to provide public functions and services for the benefit of the Members.

K. To provide services to, and contract with, metropolitan districts or other municipal entities for services in furtherance of each of their responsibilities.

L. To provide services to Subassociations. Such services to any Subassociation shall be provided pursuant to an agreement in writing between the Association and such Subassociation which shall provide for the payment by such Subassociation to the Association of the reasonably estimated expenses of the Association incurred in providing such services to the Subassociation including a fair share of the overhead expenses of the Association. Services which may be provided to a Subassociation may include, without limitation, (a) the construction, care, operation, management, maintenance, repair and replacement of improvements or general or limited common elements owned by or for the benefit of the Subassociation or certain of its Members; (b) the providing of public functions to the area covered by the Subassociation; (c) the enforcement of the provisions of any Supplemental Declaration for, on behalf of, and in the name of the Subassociation; (d) the collection of assessments for, in the name of, and on behalf of a Subassociation; (e) the payment of taxes for a Subassociation with funds of the Subassociation or of the Association; (f) the obtaining of insurance for a Subassociation; (g) the collection of charges for use of facilities or limited common elements of a Subassociation or certain of its members; and (h) the appointment and supervision of a Manager or Managers for a Subassociation or its limited common elements.

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

N. To exercise any other rights or powers available to an association under the Act or authorized under the Colorado Revised Nonprofit Corporation Act.

Section 3.5. Payment of Taxes, Assessments or Insurance by Holders of First Security Interests: holders of First Security Interests shall have the right, jointly or singly, to pay taxes or other charges or assessments which are in default and which may 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 First Security Interest holders making any such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE IV
THE ASSOCIATION; PERIOD OF DECLARANT CONTROL

Section 4.1. Membership: Members of the Association shall be every record Owner of a Lot or Unit subject to this Declaration. Membership shall terminate on transfer of a fee simple title by the Owner, but may not be separated from the ownership of a Lot or Unit. The purposes and powers of the Association and the rights and obligations with respect to Members set forth in this Declaration shall be amplified by the Articles of Incorporation, Bylaws, Rules, architectural guidelines and the Vista Ridge Development Guide.

Section 4.2. Affiliation for Air Park Owner: Each Air Park Owner shall be entitled to become an Affiliate of the Association from time to time, subject to the limitations contained herein. Except as specifically set forth herein, Affiliates shall have no rights or benefits in the Association, its properties, or the Common Elements. Each Affiliation shall be for a one calendar year term, exercised by such Air Park Owner providing written notification, at least ninety (90) days in advance of the calendar year for which the Affiliation applies, to the Association or its manager. Upon payment of the Affiliation fee, such Affiliation shall entitle such Air Park Owner, and the permanent residents of his household, to use the Recreation Facilities in the same manner and on the same restrictions and limitations as Members, subject to Rules adopted by the Board. No more than one Affiliation shall be available to the designated Air Park Owner (as provided in Section 1.4). An

Affiliation may be exercised, if at all, by the Affiliate paying the Affiliate dues, in advance, according to the payment schedule determined by the Board. Affiliate dues shall be determined by the Board in connection with the budget adopted by the Board. The dues shall be determined based on a reasonable estimate of the Common Expenses related only to the Recreational Facilities.

Section 4.3. Voting Rights: The Association shall have one class of voting membership. The total number of votes which may be cast in connection with any matter shall be equal to the total number of Lots and Units then existing within the Association. Each Member is entitled to one vote for each Lot or Unit owned. If more than one person holds such interest, the vote for such Lot or Unit shall be exercised as the persons holding such interest shall determine between themselves, provided that in no event shall more than one vote be cast with respect to any Lot or Unit.

Section 4.4. Authority of Board: Except as otherwise provided in this Declaration or the Bylaws, the Board may act in all instances on behalf of the Association.

Section 4.5. Declarant Control of the Association:

A. Subject to Subsections 4.5(B) and (C), there shall be a "Period of Declarant Control" during which the Declarant, or Persons designated by the Declarant, may appoint and remove the officers and members of the Board. The Period of Declarant Control terminates no later than the earlier of:

(i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Lots and Units that may be created to Owners other than a Declarant; or

(ii) Two (2) years after the last conveyance of a Lot or Unit by a Declarant in the ordinary course of business to Owners other than a Declarant; or

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

The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Period of Declarant Control. In that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

B. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots or Units that may be created to Owners other than the Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by Owners other than the Declarant.

C. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots or

Units that may be created to Owners other than the Declarant, not less than thirty-three and one third percent (33-1/3%) of the members of the Board of Directors must be elected by Owners other than the Declarant.

D. Not later than the termination of any Period of Declarant Control, the Owners shall elect a Board of Directors of at least three (3) members, at least a majority of whom shall be Owners other than the Declarant. The Board shall elect the officers. The Owners elected to the Board shall take office upon election.

E. Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice under Section 38-33.3-308 of the Act, the Owners, by a vote of sixty-seven percent (67%) of the Owners present (in person, and not by proxy) and entitled to vote at a meeting of the Owners at which a quorum is present, may remove a member of the Board of Directors with or without cause, other than a member appointed by the Declarant.

Section 4.6. Delivery of Documents by Declarant: Upon expiration of the Period of Declarant Control, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant, if any, to the extent required by the Act.

Section 4.7. Management Agreements and Other Contracts: Any agreement for professional management of the Association's business or other contract providing for services of the 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) day's prior written notice.

ARTICLE V
DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 5.1. Reservation of Development Rights: The Declarant reserves the following withdrawal and Development Rights:

A. The right by amendment to subject all or any part of the Development Property to this Common Interest Community, to replat it as deemed desirable, and create Lots, Units and Common Elements. The consent of the existing Owners or Security Interest Holders shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option. Upon (1) recordation of a final Plat that subdivides any portion of the Development Property into Lots, or recordation or execution, as the case may be, of a site plan that permits subdivision or creation of any portion of the Development Property into Units, and (2) conveyance of such subdivided portion of the Development Property to a Builder or Developer, such subdivided portion of the Development Property shall be annexed into the Common Interest Community within thirty (30) days following the recordation of the final Plat or recordation or execution, as the case may be, of the site plan. The foregoing sentence shall only apply to the following described portions of the

Development Property upon obtaining the written consent of the then owners of such property: Parcels 7B, 8A, 8B, 9B and 10B of the Vista Ridge Master Final Plat, Town of Erie, County of Weld, State of Colorado; and Lot 2, Vista Ridge Filing No. 1A, Final Plat, Town of Erie, County of Weld, State of Colorado.

B. For any area developed, Declarant (or if the area is owned by another person or entity, Declarant and such other person or entity as owner) may record one or more Supplemental Declarations with respect to such area which shall refer to this Declaration, and which may supplement this Declaration with such additional covenants, conditions, and restrictions as Declarant (or, as applicable, Declarant and such other owner) may deem appropriate for that area ("Supplemental Declaration"). Such Supplemental Declaration(s) may provide for the establishment of one or more Subassociation(s) to be comprised of Owners within the area subject to such Supplemental Declaration. Any Supplemental Declaration may provide its own procedure for the regulation of the Subassociation area and amendment of any provisions thereof (such as, for example, by a specified vote of only the Owners of some of the Property within the area subject thereto). All lands, Lots, Units, Improvements and uses in each area so developed shall be subject to both this Declaration and the Supplemental Declaration for that area. In the event of conflict, this Declaration and other Association documents shall control over any Supplemental Declaration and organizational documents of any Subassociation.

C. Pursuant to any Supplemental Declaration, a Subassociation may be granted the right to appoint its own architectural control committee or similar committee for the area which is subject to such Supplemental Declaration. If such a right is granted, then such committee of such Subassociation shall have all rights, powers, functions, duties and obligations with respect to the area subject to the Supplemental Declaration as are granted to the Architectural Review Committee by Article VIII of this Declaration and the Subassociation shall have all rights, powers, functions, duties and obligations with respect to such Subassociation architectural committee as are granted to the Association with respect to the Architectural Review Committee. Nonetheless, the Subassociation shall continue to be regulated by the Architectural Review Committee of Article VIII of this Declaration to the extent they have authority.

D. The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the Property and on the Development Property; notwithstanding anything herein to the contrary, Declarant does not reserve and specifically disclaims any right or easement hereunder to construct underground utility lines, pipes, wires, ducts, conduits and other facilities either above or below ground upon that portion of any Lot or Unit where permanent Improvements may be located on said Lot or Unit.

E. The right to construct additional Lots, Units and Common Elements, and to subdivide Lots, Units or convert Lots or Units into Common Elements.

F. The right to withdraw and de-annex from the Common Interest Community or the Development Property, any portion of the Common Interest Community in accordance with the Act ("Withdrawn Property").

G. If all or any part of the Development Property is submitted to this Declaration, this right to reserve property for future development shall apply to such property as well. Declarant expressly reserves the right to record an instrument surrendering a development right, or withdrawing or de-annexing all or any portion of the Property or any property reserved for future development in the Declaration or on the Plat or any Map from the Common Interest Community by recording a document evidencing such surrender or withdrawal or de-annexation in the office of the Clerk and Recorder of Weld County; provided, however, that no portion of the Property may be withdrawn or de-annexed after a Lot or Unit in that portion of the Property has been conveyed to an Owner other than a Declarant or a Builder.

Section 5.2. Limitations on Development Rights: The Development Rights reserved in Section 5.1 are limited as follows:

A. The Development Rights may be exercised at any time, but not more than twenty-five (25) years after the recording of this Declaration.

B. All Lots, Units and Common Elements created pursuant to the Development Rights will be restricted to residential use in the same manner and to the same extent as the Lots, Units and Common Elements created under this Declaration as initially recorded.

Section 5.3. Phasing of Development Rights: No assurances are made by the Declarant regarding the Development Rights reserved as to whether the Declarant will exercise its Development Rights or the order in which such portions, or all of the areas, will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

Section 5.4. Special Declarant Rights: The Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community:

A. To complete Improvements indicated on Plats and any Maps;

B. To exercise any Development Right reserved herein;

C. To maintain construction, sales and management offices, signs advertising the Common Interest Community and models in such numbers, and of such sizes at such locations as Declarant may determine from time to time. Any real estate used as a sales office, management office or a model shall be a Lot or Unit. Declarant also reserves the right for Declarant and any Builder to conduct general sales activities in a manner which will not unreasonably disturb the rights of Owners;

D. To create and use and to permit others to use easements through the Common Interest Community for construction, and to discharge Declarant's obligations under the Act and this Declaration;

E. To appoint or remove any officer of the Association or a Board member during the Period of Declarant Control subject to the provisions of Section 4.4 of this Declaration;

F. To merge or consolidate the Common Interest Community with another Common Interest Community;

G. To amend the Declaration and the Plat and any Map in connection with the exercise of any development rights;

H. To appoint or remove any Architectural Review Committee member until the disposition of the last Lot and Unit to an Owner other than the Declarant or a Builder; and

I. To exercise any other Declarant right created by any other provision of this Declaration.

Section 5.5. Rights Transferable: Rights created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in Weld County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee.

Section 5.6. Limitations on Special Declarant Rights: Unless terminated earlier by an amendment to this Declaration executed by the Declarant, any Special Declarant Right may be exercised by the Declarant or any transferee of Declarant rights pursuant to Section 5.5 until the earlier of the following: as long as the Declarant or the transferee (a) is obligated under any warranty or obligation; (b) holds a Development Right to create additional Lots, Units or Common Elements; (c) owns any Lot or Unit; (d) owns any Security Interest in any Lot or Unit; or (e) twenty-five (25) years have elapsed after recording of this Declaration. Earlier termination of certain rights may occur by statute.

Section 5.7. Interference with Special Declarant Rights: Neither any Builder, the Association nor any Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

Section 5.8. Construction; Declarant's Easement: The Declarant and each Builder reserve the right to perform warranty work, and repairs and construction work on Lots, Units and Common Elements, to store materials in secure areas, and to control and have the right of access to work and repairs until completion. All work may be performed without the consent or approval of the Board of Directors.

The Declarant and each Builder has an easement through each Lot, Unit and the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Development or Special Declarant Rights, whether arising under the Act or reserved in this Declaration. This easement includes the right to convey utility and drainage easements to public utilities, municipalities or metropolitan or special improvement districts, the State, riparian owners or upland owners to fulfill the plan of development.

Section 5.9. Declarant's Personal Property: The Declarant for itself and each Builder reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Common Elements that is owned by them and has not been represented as property of the Association. The Declarant for itself and each Builder reserves the right to remove from the property (promptly after the sale of the last Lot or Unit) any and all goods and improvements owned by them and used in development, marketing and construction, whether or not they have become fixtures.

Section 5.10. Reciprocal Easements: If all or part of the Development Property is not submitted to this Declaration, or if property is withdrawn or de-annexed from the Common Interest Community ("Withdrawn Property"):

A. The owner(s) of the Development Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance and emergencies over and across the Common Interest Community; and

B. The Owner(s) in the Common Interest Community shall have whatever easements are necessary or desirable, if any, consistent with development and improvement of any Development Property or Withdrawn Property, for access, utility service, repair, maintenance and emergencies over and across the Development Property and Withdrawn Property.

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

ARTICLE VI
MAINTENANCE

Section 6.1. Common Elements: The Association shall manage, operate, insure, maintain, repair and replace all of the Common Elements, and any drainage structure or facility or other public improvements required by local governmental entities under Section 38-33.3-307(1.5) of the Act. In furtherance of the foregoing, the Vista Ridge Metropolitan District ("Metro District") may prepare a maintenance plan or map, or both ("Maintenance Plan") which specifies the respective maintenance, repair and replacement obligations of the Metro District and the Association within the Common Interest Community. In conjunction with the annexation of the Development Property, the Metro District may amend the Maintenance Plan to address the additional maintenance, repair and replacement responsibilities caused by the annexation. Except as to annexations of the Development Property, the Maintenance Plan shall not be amended without the consent of the Association, which consent shall not be unreasonably withheld. Each Subassociation shall manage, operate, insure, maintain, repair and replace all of the Common Elements within such Subassociation as well as any drainage structure or facility or other public improvements required by local governmental entities under Section 38-33.3-307(1.5) of the Act, within such Subassociation.

Section 6.2. Lots and Units: Except as specified in Section 6.1 above, each Owner shall maintain, repair and replace, at their own expense, all portions of their Lot and Unit.

Section 6.3. Right of Access: Any person authorized by the Board of Directors shall have the right of access to all portions of any Lot or Unit for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Common Interest Community, for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any entry is at a time reasonably convenient to the affected Owner. In case of an emergency, no request or notice is required and the right of entry shall be immediate, and with as much force as is reasonably necessary to gain entrance, whether or not the Owner is present at the time.

Section 6.4. Repairs Resulting From Negligence: Each Owner will reimburse the Association for the costs, expenses and fees for maintenance, repair or replacement to the Common Elements caused intentionally, negligently or by the failure to properly maintain, repair or make replacements to a Lot or Unit (including drainage). If such expense is caused by misconduct, it will be assessed following Notice and Hearing. If damage is inflicted on any Lot or Unit as a result of entry thereon by the Association, through maintenance access under Section 6.3, the Association will be responsible to repair such damage.

ARTICLE VII
ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 7.1. Apportionment of Common Expenses: Except as provided in Section 1.13, Section 6.4 and Section 7.2, all Common Expenses shall be assessed against all Lots and Units in accord with the Allocated Interests. If additional Lots or Units are added to the Common Interest Community, then the Common Expense liability shall be reallocated and any Common Expense Assessment not yet due shall be recalculated.

A. Initial Annual Common Expense Assessment. The initial annual Common Expense Assessment shall be fixed by a budget approved by the Board, subject to disapproval by the Owners. Until such a budget is adopted, and the Association makes a Common Expense Assessment, the Declarant shall pay all Common Expenses.

B. Annual Common Expense Assessment. Annual Common Expense Assessments shall be sufficient to meet the expected needs of the Association. The Annual Common Expense Assessments shall include an adequate reserve fund for replacement of those items that must be maintained, repaired or replaced on a non-annual basis.

C. Levy of Assessments.

(i) The Annual Common Expense Assessment shall be levied on an annual basis against all Lots and 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 may be collected in monthly, quarterly, biannual or annual installments, or in any other manner as determined by the Board of Directors. Common Expense Assessments may begin on the first day of the month in which conveyance of the first Lot or Unit to an Owner other than the Declarant occurs. The assessments shall be used to promote the recreation, health, safety and welfare of the Owners, and for all of those purposes and activities which may be required of the Association or which the Association may be empowered to pursue pursuant to this Declaration or the Documents, or by law; provided, however, that such assessments levied during the Period of Declarant Control may not be used for the purpose of constructing capital Improvements.

(ii) The omission or failure of the Board of Directors to levy an Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay. No assessment may be levied retroactively. Special Assessments shall be levied in accordance with Subsection D of this Section 7.1. Common Expenses attributable to fewer than all Lots or Units may be levied at any time, shall be due and payable as established by the Board, and are exempt from any voting requirements by the membership required for Special Assessments called for under this Declaration.

D. Special Assessments. In addition to the annual Common Expense Assessments authorized in this Article, but subject to the limitations set forth herein, the Association, with the approval of the votes of sixty-seven percent (67%) of the Members voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present, may levy a Special Assessment for the purpose of: (1) defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement upon any portion of the Common Elements, including fixtures and personal property related thereto; or (2) for repair or reconstruction of any damaged or destroyed Improvements located on the Common Elements; or (3) for the funding of any operating deficit incurred by the Association. Any Special Assessment shall be levied against each Lot and Unit according to the Allocated Interests. A meeting of the Members called for the purpose of considering the establishment of a Special Assessment shall be held in conformance with Subsection E of this Section 7.1.

E. Notice and Quorum for any Special Assessments. Written notice of any meeting called for the purpose of taking any action authorized under Subsection D of this Section 7.1 shall be sent to all Members not less than fifteen (15) 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 Membership 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 (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7.2. Common Expenses Attributable to Fewer than all Lots or Units:

A. Any insurance premium increase attributable to a particular Lot or Unit by virtue of activities in or construction of the Lot or Unit shall be assessed against that Lot or Unit.

B. Each Owner will reimburse the Association for any damages to the Common Elements caused intentionally, negligently or by the failure to properly maintain, repair or make replacements to a Lot or Unit including drainage. Such expense will be assessed following Notice and Hearing. If a Common Expense is caused by the misconduct of an Owner or Permitted User, the Association may charge the Owner for such Common Expense, and assess that expense exclusively against that Owner's Lot or Unit.

C. Fees, charges, late charges, attorney fees, taxes, impositions, fines, collection costs and interest charged against an Owner pursuant to the Documents and the Act may be assessed against that Owner's Lot or Unit as Common Expense Assessments.

D. Any common expense benefitting fewer than all of the Lots and Units may be assessed exclusively against the Lots or Units benefitted.

Section 7.3. Lien:

A. The Association has a lien on a Lot and Unit for a Common Expense Assessment levied against the Lot or Unit pursuant to this Declaration from the time the Common Expense Assessment or fine becomes due. Fees, charges, late charges, attorney fees, fines and interest charged pursuant to the Documents or as allowed by the Act are enforceable as assessments under this Article VII. If a Common Expense Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid acceleration of installment obligations.

B. A lien under this Section is prior to all other liens and encumbrances on a Lot or Unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a Security Interest on the Lot or Unit which has priority over all other Security Interests on the Lot or Unit and recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments or charges against the Lot or Unit. A lien under this Section is also prior to all Security Interests described in Subdivision (2) above of this Subsection B to the extent of an amount equal to the Common Expense Assessments based on the periodic budget adopted by the Association pursuant to Section 7.4 which would have become due, in the absence of acceleration, during the six (6) months immediately preceding institution by either the Association or the holder of a First Security Interest of an action or a nonjudicial foreclosure either to enforce or extinguish either the Association's lien or a Security Interest described in Subdivision (2) of this Subsection B. This Subsection B does not affect the priority of mechanics' or materialmen's liens or the priority of a lien for other assessments made by the Association. A lien under this Section is not subject to the provision of Section 38-41-201 or 15-11-201, C.R.S. The Association's lien on a Lot or Unit for any assessment 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 a Lot or Unit subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said assessment lien.

C. Recording of this Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for a Common Expense Assessment is not required. However, the Association may prepare, or cause to be prepared, and record, or cause to be recorded, in Weld County a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot or Unit, and a description of the Lot or Unit. If a notice of lien is filed, the costs and expenses thereof shall be added to the assessment for the Lot or Unit against which it is filed and collected as part and parcel thereof.

D. A lien for an unpaid Common Expense Assessment is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of the Common Expense Assessment becomes due. This Section does not prohibit an action to recover sums for which Subsection (A) of this Section creates a lien or to prohibit the Association from taking a deed in lieu of foreclosure. The Association's lien may be foreclosed by the same procedure by which a mortgage or deed of trust on real estate is foreclosed. The Board shall have the power to bid at the foreclosure sale, and if title is obtained, hold, lease, mortgage, and encumber or convey the same.

E. A judgment or decree in any action brought under this Section shall entitle the Association to costs and reasonable attorney fees, which shall be additional Common Expense Assessments; and is enforceable by execution. Any payments received by the Association in the discharge of an Owner's obligation may be applied to attorney fees and costs first, then late fees, penalties and interest, and then the oldest balance due.

F. In any action by the Association to collect Common Expense Assessments or to foreclose a lien for unpaid Common Expense Assessments, the court may appoint a receiver for the Owner to collect all sums alleged to be due from that Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver first to the costs of the receivership, including receiver's fees, and then to the Association during the pendency of the action to the extent of the Association's Common Expense Assessments.

G. If a holder of a first or second Security Interest in a Lot or Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid Common Expense Assessments against that Lot or Unit which became due before the sale, other than the assessments which are prior to that Security Interest under Subsection B of this Section of the Declaration. Any unpaid Common Expense Assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Owners, including the purchaser.

H. Sale or transfer of any Lot or Unit shall not affect the lien for said assessments or charges except that sale or transfer of any Lot or Unit pursuant to foreclosure of any First 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 Colorado 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 Lot or Unit from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 7.4. Budget Adoption and Ratification: Within thirty (30) days after adoption of any proposed budget for the Common Interest Community, the Board of Directors shall mail first class or deliver a summary of the budget to each Owner and shall set a date for a meeting of the Owners to consider ratification of the budget. The meeting shall be not less than fourteen (14) or more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting at least sixty-seven percent (67%) of all Owners vote to reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners continues until the Owners ratify a new budget proposed by the Board. In lieu of a budget-ratification meeting, action may be taken by written ballot in accord with C.R.S. Section 7-127-109 within the above-stated timetable.

Section 7.5. Certificate of Payment of Common Expense Assessments: The Association, upon written request, shall furnish an Owner or their designee, or a holder of a Security Interest or its designee, a written statement setting out the amount of unpaid Common Expense Assessments against the Lot or Unit. Said request shall be delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the Association's registered agent. The statement shall be furnished within fourteen (14) calendar days after receipt of the request, delivered personally or by certified mail, first class postage prepaid, return receipt requested, and is binding on the Association, the Board of Directors and each Owner, or the Association shall have no right to assert a lien upon the Lot or Unit for unpaid assessments which were due as of the date of the request. The Association shall have the right to charge a reasonable fee for the issuance of such statement.

Section 7.6. Effect of Nonpayment of Assessments: Remedies of the Association: Any assessment not paid within ten (10) days after the due date thereof shall be delinquent, subject to fees authorized by Section 7.2, including (a) interest from the due date at the rate of eighteen percent (18%) per annum, or at such lesser rate as may be set from time to time by the Board of Directors and (b) a default charge in a reasonable amount. Fees, including attorney fees, charges, late charges, fines and interest may be charged pursuant to the Act and the Documents due to late payment of assessments under this Section. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against such Lot or Unit. If a judgment or decree is obtained, including without limitation in a foreclosure action, such judgment or decree shall include interest on the assessment and attorney's fees, together with the costs of the action, and other fees.

Section 7.7. Acceleration of Common Expense Assessments: If any Owner does not make the payment of any Common Expense Assessment levied against their Lot or Unit within ten (10) days of the date due, the Board of Directors shall have the right to declare all unpaid Common Expense Assessments for the pertinent fiscal year immediately due and payable for that Lot or Unit.

Section 7.8. No Waiver of Liability for Common Expenses: No Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements, by abandonment of the Lot or Unit against which the Common Expense Assessments are made, or because of dissatisfaction with the Association's performance.

Section 7.9. Personal Liability of Owners: Each Owner, including Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is personally liable for Common Expense Assessments made against such Owner's Lot or Unit during the period of ownership of such

Lot or Unit, at the time a Common Expense Assessment or portion of the assessment is due and payable. Personal liability for the Common Expense Assessment shall not pass to a successor in title to the Lot or Unit unless the successor agrees to assume the obligation. All Owners of each Lot or Unit shall be jointly and severally liable to the Association for the payment of all assessments, including fees described in Section 7.2. The obligation for such payments by each Owner to the 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 Declaration), and without setoff or deduction.

Section 7.10. Surplus Funds: Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves need not be paid to the Owners in proportion to their Common Expense Liability but shall be credited to them to reduce their future Common Expense Assessments.

Section 7.11. Working Capital Fund: The Association shall require the first Owner of any Lot or Unit (other than a Declarant or a Builder) who purchases that Lot or Unit from Declarant or a Builder to make a nonrefundable contribution to the Association in the amount equal to one-half (1/2th) of the total annual assessment at the time of sale (regardless of whether or not assessments have commenced as provided in Section 7.1). Said contribution shall be collected and transferred to the Association at the time of closing of the sale by Declarant or a Builder of each Lot or Unit as aforesaid, and may be used for the benefit of the Association as the Board deems appropriate, including, without limitation, to meet unforeseen expenditures or to purchase additional 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 their Lot or Unit, an Owner shall be entitled to a credit from their transferee (but not from the Association) for the aforesaid contribution to working capital fund. The Association may, from time-to-time, increase the amount required for each Owner's share of the Working Capital Fund to an amount equal to one-half (1/2th) of the then current total annual assessment for each Owner.

ARTICLE VIII
ARCHITECTURAL REVIEW COMMITTEE

Section 8.1. Written Approval of Plans Required:

A. Except as otherwise provided herein, no Improvements (other than Initial Improvements) shall be constructed, erected, placed, planted, applied or installed upon any Lot or Unit unless plans and specifications therefor shall have been first submitted to and approved in writing by the Architectural Review Committee. Said plans and specifications shall show exterior design, height, materials, color, and location of the Improvements, and type of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information that may be required by the Architectural Review Committee. However, the Declarant, and any Builder shall be exempt from seeking or obtaining Architectural Review Committee approval during Declarant's or Builder's construction on, or sales of, any Initial Improvements on any Lot or Unit. The Architectural Review Committee shall exercise its reasonable judgment to the end that all Improvements conform to and harmonize with the existing surroundings, residences, landscaping and structures. In its review of such plans, specifications and other materials and information, the Architectural Review Committee may require that the applicant(s) reimburse the Architectural Review 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 Common Expense Assessment against the Lot or Unit for which the request for Architectural Review Committee approval was made, but shall be subject to the Association's lien for assessments and subject to all other rights of the Association for the collection of such assessments, as more fully provided in this Declaration. All work authorized by the Architectural Review Committee shall be completed within the time limits established therefor, if any, but in any event, not later than one year after the approval was granted.

B. Unless otherwise determined by the Board, and subject to the provisions of Section 8.10, no approval of the Architectural Review Committee shall be required for: (i) landscape plantings in the rear yard portion of a Lot, so long as such plantings meet the minimum planting requirements set forth in the architectural guidelines; and (ii) Improvements or structures in the rear portion of a Lot, so long as all parts and components of such Improvements or structures are less than thirty-six inches (36") above grade.

Section 8.2. Guidelines. Standards. Rules. Regulations and Procedures: The Board of Directors may, from time to time, adopt, promulgate, amend or otherwise revise guidelines, standards, rules and regulations and procedures governing Architectural Review for the purposes of:

A. Further enhancing, defining, or interpreting what items or improvements are covered by this Article VIII; and

B. Providing for changes in technology, industry standards, style, materials, safety issues, consistency with updated building codes or other laws or ordinances, or for any other reason that the Board of Directors deems to be proper, necessary or in the best interests of the community; provided that neither the Board of Directors nor the Architectural Review Committee in its review or approval of any application, will be deemed to be giving any opinion, warranty or representation as to compliance with any of the foregoing.

In determining what is in the best interests of the community, the Board of Directors or Architectural Review Committee may, but shall not be required to, solicit input from: (1) Owners whose Lots or Units are near a proposed improvement or item to be placed on a Lot or Unit; or (2) from the entire community. Neither the Board nor the Architectural Review Committee shall be bound by said input but shall use their best judgment in approving or disapproving the proposed guidelines, standards, rules, regulations, improvement or item.

Any guidelines, standards, rules and regulations, procedure or amendment thereto, shall apply to construction, additions, modifications, installations or items placed on a Lot or Unit occurring after the date such guidelines, standards, rules and regulations, procedures or amendments are published or otherwise made available to all Owners.

Section 8.3. Membership of Committee: The Architectural Review Committee shall consist of three (3) or more persons, who need not be Members, appointed by the Board of Directors; provided, however, that until all of the Lots have had a Dwelling Unit constructed thereon and, along with all Units, have been conveyed to the first Owner thereof (other than Declarant or a Builder), Declarant may at its option appoint the Architectural Review Committee. The power to appoint shall include the power to fill any vacancy 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 Board.

Section 8.4. Procedures: The Architectural Review Committee shall approve or disapprove all requests for approval within thirty (30) days after the complete submission of the plans, specifications and other materials and information which the Committee may require in conjunction therewith. If the Architectural Review Committee fails to approve or disapprove any request within thirty (30) days after the complete submission of the plans, specifications, materials and other information with respect thereto, the request shall be deemed to have been disapproved by the Architectural Control Committee. However, the applicant may resubmit the application.

Section 8.5. 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. If a representative acting on behalf of the Architectural Review Committee approves or denies a request for architectural approval, any Owner shall have the right to an appeal of such decision to the full Architectural Review Committee, upon a request therefor submitted to the Architectural Review Committee within thirty (30) days after such approval or denial by the Committee's representative. If an application for architectural approval is approved or denied by the Architectural Review Committee, whether pursuant to an original request for approval or on appeal from a decision of a representative of the Architectural Review Committee, any Owner shall have the right to appeal such decision to the Board of Directors, if a written request for a hearing on an appeal of the same shall be submitted to the Board within thirty (30) days after such approval or denial by the Architectural Review Committee.

Section 8.6. Records: The Architectural Review Committee shall maintain written records of all applications submitted to it and all actions taken by it, and such records shall be available to Members for inspection at reasonable hours.

Section 8.7. Liability: The Architectural Review Committee and the members thereof, as well as the Declarant, the Association, the Board of Directors, or any representative of the Architectural

Review Committee appointed to act on its behalf, shall not be liable for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Review Committee for any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within its jurisdiction hereunder, if such action was in good faith or without malice. In reviewing any matter, the Architectural Review Committee shall not be responsible for passing on safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations, nor shall its approval of an Improvement be deemed approval of such matters.

Section 8.8. Variance: The Architectural Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or any guidelines, 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 (1) 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; (2) shall not militate against the general intent and purpose hereof; (3) shall not set a precedent for any other applicant; and (4) shall not affect the jurisdiction of any architectural review committee of a Subassociation.

Section 8.9. Waivers: The approval or consent of the Architectural Review Committee, any representative thereof, or the Board of Directors, to any application for architectural approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the Architectural Review Committee, any representative thereof, or the Board of Directors, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required.

Section 8.10. Approval of Golf Course Owner: Except as to Declarant and any Builders which shall be exempt from compliance with the terms of this Sections, notwithstanding any other provision of this Article VIII to the contrary, no Improvements shall be constructed, erected, placed, planted, applied or installed upon any portion of any Lot or Unit which is adjacent to the Golf Course unless plans and specifications therefor shall have been first submitted to and approved in writing by Architectural Review Committee, and following such approval, the Golf Course Owner. In considering the request for approval, the Architectural Review Committee and the Golf Course Owner shall take into account the impact of the prospective Improvements on the Golf Course, including specifically, without limitation, aesthetic considerations. However, the Golf Course Owner may not disapprove any request for Improvements that are, or may be, reasonably required for safety considerations, so long as such Improvements have been approved by the Architectural Review Committee, and provision is made for adequate screening by vegetation (upon maturity) or by other Improvements approved by the Architectural Review Committee. If the Golf Course Owner fails to disapprove any request within thirty (30) days after the complete submission of the plans and specification, the request shall be deemed to have been approved by the Golf Course Owner. For purposes of this Section 8.10, the Golf Course Owner shall have the right, as a third party beneficiary of the covenants contained herein, to bring an action seeking enforcement of the covenants or for any other remedy available at law or in equity.

ARTICLE IX
RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 9.1. Restrictions Imposed: All of the Lots and Units shall be held, conveyed, used, improved, occupied, owned, resided upon and secured, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Declaration. These restrictions are general in nature and the Board shall have the power and duty to adopt, amend, repeal and enforce further or additional architectural guidelines and Rules and regulations which modify, limit, create exceptions to or expand, the initial use restrictions set forth in this Article IX and the architectural guidelines referenced in Article VIII above, as the Board deems to be reasonable and necessary to carry out the intent of this Declaration, and in accordance with its duty to exercise reasonable business judgment. Lots and Units shall not be permitted to fall into disrepair; and shall be kept and maintained in a clean, safe, attractive and sightly condition and pursuant to all Rules and architectural guidelines, except as necessary during the period of construction.

Section 9.2. No Nuisance or Annoyance: No noxious, offensive, dangerous or unsafe activity shall be conducted in or on any Lot or Unit, nor shall anything be done, either willfully or negligently, which is an annoyance or nuisance to the other Owners or Permitted Users. No Owner or Permitted User shall make or permit any disturbing noises nor do or permit anything to be done by others that will interfere with the rights, comforts or convenience of other Owners or Permitted Users. Habitually barking, howling or yelping dogs shall be deemed a nuisance. The use of exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devices on any Lot or Unit may be regulated or prohibited by the architectural guidelines and Rules. The terms "annoyance" and "nuisance" shall not include any activities of Declarant or a Builder reasonably necessary to the development and construction of, and sales activities on, the Lots or Units, provided such activities of the Declarant or a Builder shall not unreasonably interfere with any reasonable use and enjoyment of a Lot or Unit, or with any ingress and egress to or from a Lot or Unit and a public way.

Section 9.3. Business and Occupancy Use Restrictions: Subject to the Special Declarant Rights reserved under Article V, the Board shall have the power to promulgate and enforce architectural guidelines and Rules regarding business and occupancy use restrictions, provided, however, that business, trade, professional or commercial Improvements or buildings devoted to business, trade, professional, commercial or public enterprises may be erected or used on any Lot or Unit only if the existence or operation of such activity or use is not apparent or detectable by sight, sound, or smell from the exterior of the Lot or Unit, does not increase traffic or increase the insurance obligation or premium of the Association, and does not violate zoning resolutions.

Section 9.4. Animals: No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, or boarded in or on the Lots or Units; provided, however, that the Owner of each Lot or Unit may keep a reasonable number of dogs, cats (but in no event more than three of any combination of dogs and cats), or other domestic animals which are bona fide household pets, so long as such animals are not kept for any commercial purposes and are not kept in such a manner as to create a nuisance to any resident of any Lot or Unit. Owners may be required to remove any animal determined by the Board to be vicious or dangerous or which causes or creates a nuisance or unreasonable disturbance or noise from the Lot or Unit upon five (5) days' written notice following Notice and Hearing from the Board of Directors. Owners and Permitted Users shall hold the Association harmless from any claim resulting from any action of their pets. The number of pets and the right to keep pets may be further regulated by Rules issued by the Board, and shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association, and any such costs and damages shall be subject to all of the Association's rights with respect to the collection and enforcement of assessments as provided in this Declaration.

Section 9.5. Restrictions on Trash and Refuse: 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 on any Lot or Unit unless placed in a suitable container with an attached lid, or in a dumpster located in a screened, designated garbage area solely for the purpose of garbage pickup or composting. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner. Each Owner must utilize a competent provider of trash collection and disposal service. The Board may require all Lots and Units to be served by one trash collection and disposal company.

Section 9.6. Vehicular Parking, Storage, Use and Repairs:

A. No recreational or commercial vehicle, including but not limited to, trailers of any kind, campers (including camper shells and motor homes), buses, vans, boats or boat accessories, and trucks larger than one ton, self contained and other motorized recreational vehicles, all terrain vehicles, any other vehicle clearly designed or designated by the manufacturer or the owner thereof (through signage or accessories) to be a recreational or commercial vehicle, even though it may be licensed by a state as a passenger vehicle, shall be parked, placed, stored or maintained anywhere within the Common Interest Community unless such parking or storage is within an enclosure such that they are not visible from any other Lot, Unit or from the Common Elements or from any street within the Common Interest Community, except in emergencies or as a temporary expedience for loading or unloading, unless in conformance with the Rules adopted by the Board. The provisions of this Section 9.6A shall not restrict trucks or other commercial vehicles which are necessary for construction of or for the maintenance of the Lots, Units or Improvements located thereon.

B. No abandoned or inoperable vehicle of any kind shall be stored or parked on any Lot, or in any Subassociation, unless it cannot be seen from any other Lot, Unit, the Common Elements or any street within the Common Interest Community. An "abandoned or inoperable vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of seven days or longer, or which does not have an operable propulsion system installed therein; provided, however, that otherwise permitted vehicles parked by Owners while on vacation or during a period of illness shall not be deemed to be abandoned.

C. If the Association shall determine that a vehicle is parked, stored or used in violation of this Section 9.6 or in violation of any County or State regulation, then a written notice describing said vehicle shall be delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner cannot be reasonably ascertained) and if the vehicle is not removed within a reasonable time thereafter, as determined by the Association in its discretion from time to time, the Association shall have the right to give notice that the vehicle will be towed if it is not removed within twenty-four (24) hours, at the sole expense of the owner of the vehicle or the Lot or Unit.

D. No motorcycles, all terrain vehicles or other motorized vehicles of any kind may be operated on the Common Elements.

E. 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 any Lot or within any Unit unless it is done in a manner and location that screens the sight and sound of the activity from the street and from any other Property. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, motor-driven cycle, or other vehicle, together with those activities normally incident and necessary to such washing and polishing.

Section 9.7. Restrictions on Leasing: Upon leasing a Lot or Unit, the Owner shall advise the Association of the name and phone number of the tenant, and whether the tenant has the right to use the Common Elements. All leases shall include a provision that the lease is subject to the terms of the Documents. Failure of the tenant to comply with the terms of the Documents shall constitute a default enforceable by either the Association or Owner, or by both of them. The tenant will recognize and attorn to the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Documents against the tenant, provided the Association gives the Owner notice of its intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action. No lease shall be for a term of less than one hundred eighty (180) days.

Section 9.8 No liability for nuisances/hazards associated with adjacent lands: By purchasing a Lot or Unit, each Owner hereby acknowledges that the Lot or Unit may be located adjacent to or in relatively close proximity to the Golf Course and other real property formerly used and currently used as landfills (hereafter collectively the "Adjacent Properties"). Owners hereby recognize and assume the risks of owning property adjacent to or within relatively close proximity to the Adjacent Properties. Such risks include, without limitation: injury to person and/or property arising out of, or resulting from, the operation, maintenance and/or use of the Adjacent Properties. noise associated with the Adjacent Properties, errant golf balls and/or other golf related equipment, trespass, acts or omissions of persons using or otherwise on the Golf Course, and/or the existence of water hazards, ponds, and/or lakes on or near the Golf Course, noise, odors, visual impacts and environmental impacts related to landfill operations, attractive nuisances to children (all of the above being collectively referred to as the "Adjacent Property Risks"). Neither Association, Declarant, the Golf Course Owner, the Golf Course architect, the Golf Course contractor, nor their respective members, managers, officers, directors, employees, committees, independent contractors, agents, successors, and assigns shall be liable to any Owner, his family, tenants, guests, invitees, servants, agents or employees for any personal injury or property damage resulting from the Adjacent Property Risks, including but not limited to, errant golf balls or noise, odors, visual impacts and environmental impacts related to the landfill operations. By virtue of taking title to a Lot or Unit subject to this Declaration, each Owner for themselves, their heirs, personal representatives, executors, tenants, successors, assigns, invitees and licensees hereby agrees to: (i) assume the risk of injury or damage to property or persons resulting from the Adjacent Property Risks; (ii) obtain such policies of insurance as may be necessary to insure such Owner, his family, tenants, guests, invitees, servants, agents or employees from injury or damage to property or person resulting from the Adjacent Property Risks; (iii) release, remise, hold harmless, forever and discharge the Association, the Declarant, the Golf Course Owner and the Golf Course architect, and the Golf Course contractor and their respective members, managers, officers, directors, employees, independent contractors, agents, successors, and assigns from any liability for any personal injury or property damage resulting from the Adjacent Property Risks, including, without limitation, arising from the Association's, Declarant's, the Golf Course Owner's, agents, contractors, subcontractors, employees, officers, heirs, successors, assigns, guests, or invitees own negligence; and (iv) to indemnify (including reasonable costs and attorney's fees) the Association, Declarant, the Golf Course Owner, and their respective members, managers, officers, directors, employees, independent contractors, agents, successors, and assigns (the "Benefitted Parties") of and from any and all claims, actions, suits, demands and/or compensations, either at law or in equity, against the Benefitted Parties for or on account of any damages, loss, or injury either to person or property, or both, resulting directly or indirectly from the Adjacent Property Risks.

Section 9.9 No Unlawful Use of Property: No unlawful use may be made of the Property. Owners and Permitted Users shall comply with and conform to all applicable laws and regulations of the United States, the State of Colorado and all other governmental ordinances, rules and regulations; violations thereof shall be a breach of this Declaration, subject to enforcement by the Association. Determination of whether an activity violates this covenant shall be at the sole discretion of the Board of Directors or other committees and shall be subject to the Rules.

Section 9.10 Penalties for Infractions: The Board may establish and enforce penalties for the infraction of these restrictions, Rules or design/architectural guidelines, including, without limitation, the levying and collecting of fines for the violation of any of such Rules in compliance with the Act.

ARTICLE X
INSURANCE

Section 10.1. Coverage: To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, or if any policy is canceled, or not renewed, without a replacement policy having been obtained, the Association shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners at their respective last known addresses.

Section 10.2. Property Insurance Coverage: The Association shall obtain property insurance on the Common Elements for broad form covered causes of loss and on all personal property owned by the Association. The property insurance will be for an amount equal to one hundred percent (100%) of the full insurable replacement cost of the insured property less applicable deductibles, exclusive of land, foundations, excavations and other items normally excluded from property policies. The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the property, and the cost of such appraisals shall be a Common Expense.

Section 10.3. Liability Insurance: Commercial General Liability insurance, as set forth in Section 38-33.3-313(b) of the Act, will be maintained in an amount determined by the Board of Directors, but in no event shall it be less than $1,000,000. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership, existence, or maintenance of the Common Elements and the activities of the Association; and may also include, if applicable, comprehensive automobile liability insurance, garage keeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability, and such other risks as shall customarily be required by private institutional mortgage investors with respect to projects similar in construction, location and use, but not less than any amount specified in the association documents.

Section 10.4 Mandatory Provisions. The insurance policies carried pursuant to Sections 10.2 and 10.3 shall provide that:

A. Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

B. The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner;

C. No act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

D. If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance; and

E. The insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or holder of a Security Interest. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 10.5. Fidelity Bonds: The Association shall obtain and maintain, to the extent reasonably available, fidelity bond insurance coverage for any Owner or Association employee who either handles or is responsible for funds held or administered by the Association. The bond or insurance shall name the Association as obligee, and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. If reasonably available, the bond or coverage shall be the sum of two (2) month's assessments for all Lots and Units plus up to one hundred percent (100%) of the reserve funds as calculated from the current budget of the Association. The bond or coverage shall include a provision that calls for ten (10) day's written notice to the Association before the bond can be cancelled or substantially modified for any reason. The Association shall also require any independent contractor who manages the Association to obtain and maintain fidelity bond insurance coverage in the amount required by law or to the extent that it is reasonably available, unless they are covered under the Association's fidelity bond insurance coverage.

Section 10.6. Owner Policies: An insurance policy issued to the Association does not preclude Owners from obtaining insurance for their own benefit.

Section 10.7. Workers Compensation Insurance: The Board of Directors shall obtain and maintain Workers Compensation Insurance if required to meet the requirements of the laws of the State of Colorado.

Section 10.8. Directors' and Officers' Liability Insurance: The Board of Directors shall obtain and maintain directors' and officers' liability insurance, if reasonably available, covering all of the directors, officers, employees and committee members of the Association. This insurance will have limits determined by the Board of Directors.

Section 10.9. Other Insurance: The Association may carry other insurance which the Board of Directors considers appropriate to protect the Association. If any parcels of real property which the Association has an obligation to repair or reconstruct is located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on such parcels has been made available under the National Flood Insurance Program, then the Board may obtain a policy of flood insurance on such parcels in an amount at least equal to the lesser of:

A. The maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or

B. One hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

Section 10.10. Premiums: Insurance premiums for insurance carried by the Association shall be a Common Expense.

Section 10.11. Procedures: The Board of Directors may adopt written nondiscriminatory policies and procedures for claims adjustment and responsibility for deductibles. To the extent the Association settles claims for damages to real property owned by the Association, it shall have the authority to assess negligent Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. If more than one (1) Lot or Unit is damaged by a loss, the Association, in its reasonable discretion, may assess each Owner a pro rata share of any deductible paid by the Association.

Section 10.12. General Provisions: All Association insurance shall be carried in blanket policy form naming the Association as insured, or naming its designee as trustee and attorney-in-fact for the Association. The policies shall contain:

A. A standard noncontributory Security Interest Holder's clause in favor of each holder of a First Security Interest, and shall provide that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice is given to the insured.

B. 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 Association. Upon request, the 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 of First Security Interests.

Section 10.13. Insurance Proceeds: Any loss covered by the property insurance policy described in Section 10.2 above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association, and not to any Security Interest Holder. The Association shall hold any insurance proceeds in trust for the Association, Owners and lienholders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged property, and the Owners, Association and lienholders 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 restored. If hazard insurance proceeds are distributed to the Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record, and pursuant to the Act. The Association may designate a Trustee for the receipt, administration and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses and other sources.

Section 10.14. Damage to Property: Any portion of the Common Interest Community for which insurance is required under Section 38-33.3-313 of the Act or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed, shall be repaired or replaced by the Association in accordance with Section 38-33.3-313(9) of the Act.

ARTICLE XI
EASEMENTS AND LICENSES

Section 11.1. Easements and Licenses: Easements or licenses to which the Lots, Units and the Common Interest Community are presently subject are recited in Exhibit F and on the Plat and any Map. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to its powers under Article V of this Declaration.

Section 11.2. Easements for the Association: Each Lot and Unit shall be subject to an easement in favor of the Association and the Board (including its agents, employees and contractors) to perform their obligations pursuant to this Declaration.

Section 11.3. Declarant's and Builder's Easements: Anything to the contrary herein notwithstanding, the Declarant hereby reserves for itself, and for Builders, agents, employees, business invitees, successors or assigns, reasonable easements and rights-of-ways over all Lots and Units for the sole purpose of constructing improvements to the Common Interest Community and making repairs pursuant to contracts of sale made with Purchasers of Lots and Units, including the right to erect temporary buildings to store any and all materials. Such easements and rights-of-way, however, shall not unreasonably inhibit the use of Lots or Units by Owners and Permitted Users. The Declarant and any Builder shall be fully responsible for any damage to Lots or Units caused by its use of such easements and rights-of-way. Such reservations shall terminate at the option of the Declarant by its written notice to the Secretary of the Board of Directors, but in any event such reservations shall terminate without further act or deed not later than the completion of all of the Initial Improvements.

Section 11.4. 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 Property, to enter upon any part of the Common Interest Community in the performance of their duties.

Section 11.5. Easement for Encroachments: If any Lot, Unit or Common Element encroaches on any other Lot, Unit or Common Element, a valid easement for the encroachment exists. The easement does not relieve an Owner of liability in case of willful misconduct nor relieve a Declarant or any other Person of liability for failure to adhere to plans approved by the Design Review Committee or the Architectural Review Committee.

Section 11.6. Easements for Drainage and Utilities: Easements for the installation and maintenance of utilities, drainage facilities, Association, public or private improvements and access thereto are reserved as shown on the recorded Plats, Maps and other documents affecting the Lots and Units and any amendments to such Plats, Maps and documents or as established by any other instrument of record. Declarant hereby reserves, to itself and to the Association, easements for drainage or drainage facilities as noted on the recorded Plats and Maps. No Improvements shall be placed or permitted to remain on any Lot or Unit 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 front, rear and side yard drainage easements. Declarant reserves to itself and to the Association the right to enter in and upon each front, rear and side yard drainage easement and at any time to construct, repair, replace or change drainage structures or to perform such grading, drainage or corrective work as Declarant or the Association may deem necessary or desirable in their sole discretion from time to time.

Section 11.7. Easements Deemed Created: All conveyances of any Lot or Unit hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article even though no specific reference to such easements or to this Article appears in the instrument of such conveyance.

ARTICLE XII
DURATION, ANNEXATION, AMENDMENTS AND MERGER

Section 12.1. Duration: This Declaration shall run with and bind the land perpetually, unless terminated as set forth in Article XIII below.

Section 12.2. Declarant Annexation and Amendment:

A. Annexation: Declarant may annex additional property described on Exhibit D attached and made a part hereof, to this Declaration, in whatever increments deemed desirable by Declarant, without the consent of Owners but with the consent of any person or entity that owns said property if other than Declarant, as set forth in Section 5.1A above. Said right also includes the right to add additional real estate to the Common Interest Community from such locations as the Declarant may elect in its sole discretion, so long as the total additional real estate so annexed pursuant to this sentence and not described in the attached Exhibits A and D, does not exceed ten percent (10%) of the total area described in the attached Exhibits A and D. This annexation right (1) shall run for a period of twenty (20) years from the date this Declaration is recorded by the Clerk and Recorder of Weld County, Colorado; and (2) shall be exercised by recording a Declaration of Annexation and new Plats and Maps in the office of the Clerk and Recorder of Weld County, Colorado, describing therein the land being annexed; and all rights, duties and covenants of this Declaration shall be binding upon said annexed land from the moment the Declaration of Annexation is recorded.

B. Amendment: Declarant declares and reserves the right to amend (including additions to), without the consent of Owners this Declaration, or the Plat, or any Map, the Articles of Incorporation or Bylaws, any time within twenty (20) years from the date this Declaration is recorded, or before Declarant conveys the last Lot or Unit to a purchaser other than Declarant or a successor Declarant, whichever first occurs, as follows:

(1) To make nonmaterial changes, such as the correction of a technical, clerical, grammatical or typographical error or clarification of a statement.

(2) To comply with any requirements of the Act or amendments thereto, or any of the Agencies or to induce any of the Agencies to make, purchase, sell, insure or guarantee First Security Interests.

(3) To add additional real estate to the Common Interest Community from such locations as the Declarant may elect in its sole discretion, so long as the total additional real estate so annexed to the Common Interest Community pursuant to this sentence, and not described in the attached Exhibits A and D, does not exceed ten percent (10%) of the total area described in the attached Exhibits A and D.

Section 12.3. Owner Annexation and Amendment:

A. Annexation: Owners may annex additional real estate to this Declaration, by Amendment of this Declaration under the terms of Section 12.3(B) below.

B. Amendment: Owners may amend (including additions to) the covenants and restrictions of this Declaration at any time, as follows:

(i) By an instrument signed by not less than sixty-seven percent (67%) of the Owners of Lots and Units, or by the affidavit provided for in Section 12.3.B.(iii) below, recorded with the Clerk and Recorder of Weld County, Colorado.

(ii) Any amendment shall be effective on the tenth (10th) day after it is properly recorded in the records of the Clerk and Recorder of Weld County, Colorado.

(iii) Upon instruction from the Board of Directors, the President and Secretary of the Association may certify in a notarized affidavit attesting to their receipt and review of the necessary number of signatures and that the appropriate number of Owners executed the amendment, in lieu of recording each individual signature.

(iv) Where a Lot or Unit is owned by more than one (1) person, the execution of any amendment or revocation shall be valid if executed by any one (1) Owner. Where a Lot or Unit is owned by a general or limited partnership, or by a corporation, trust, limited liability company or other type of business entity, the entity may, through action by the proper rule making persons, designate a person to sign for the entity. Signatures need not be notarized. The signature need not be identical to the name of the recorded Owner, but shall be sufficiently close as to be identified as a proper signature of such person. The originals of all signatures shall be retained for a period of three (3) years from the date of recording.

(v) No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Association's Declaration, Articles of Incorporation or Bylaws unless it is commenced within one (1) year from the effective date of said amendment, unless fraud or willful negligence is asserted and proven.

(vi) All signatures shall be irrevocable even upon death or conveyance of the Lot or Unit, except that if an amendment is not recorded within three (3) years of the date of signature, then the executing Owner or their successor or assigns may revoke their signature by a written and notarized document delivered to the Secretary of the Association.

(vii) Amendments can be executed in counterparts, provided that such recorded document shall also contain a certification of the Secretary of the Association that all counterparts, as executed, are part of the whole.

Section 12.4. Mergers: The Common Interest Community may be merged or consolidated with another Common Interest Community of the same form of ownership by complying with Section 38-33.3-221 of the Act, including, following approval of the same number of Owners as is required to terminate each community, an agreement providing for the merger or consolidation and specifying which community is the legal successor and the reallocation of the Allocated Interests.

Section 12.5. Recordation of Amendments: Each amendment to the Declaration must be recorded in accordance with Section 38-33.217(3) of the Act as it may be amended.

Section 12.6. Owner Consent: Except to the extent expressly permitted or required by other provisions of this Declaration, an amendment may not create or increase Special Declarant Rights, increase the number of Lots or Units or boundaries of any Lot or Unit, change the Allocated Interests of a Lot or Unit or the uses to which a Lot or Unit is restricted, except by consent of sixty-seven percent (67%) of the Owners.

Section 12.7. Special Declarant Rights: Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 12.8. Expenses: All expenses associated with preparing and recording an amendment shall be allocated in accordance with Section 38-33.3-217(6) of the Act.

ARTICLE XIII
TERMINATION

Termination of the Common Interest Community may be accomplished only in accordance with Section 38-33.3-218 of the Act, upon agreement of Owners to which at least sixty-seven percent (67%) of the votes are allocated.

ARTICLE XIV
RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Common Expense Assessments, only by the affirmative vote of at least sixty-seven percent (67%) of the Members voting in person or by proxy at a meeting duly called for such purpose at which a quorum is present.

ARTICLE XV
CONDEMNATION

If part or all of the Common Interest Community is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with Section 38-33.3-107 of the Act.

ARTICLE XVI
MANDATORY DISPUTE RESOLUTION

Section 16.1. Statement of Clarification. Without modifying or restricting the scope of this Article and as a statement of clarification only, nothing contained in this Article is intended to prevent the parties from attempting to resolve any differences between them through the normal course of business and communications. It is only when the parties are unable to resolve their differences and they wish to proceed further through the assertion of a "Claim" as defined herein, that the Mandatory Dispute Resolution provisions contained in this Article are activated.

Section 16.2. Alternative Method for Resolving Disputes. Declarant, the Association, its officers and directors, all Owners, design professionals, Builders including any of their subcontractors and suppliers, and any Person not otherwise subject to this Declaration but who agrees to submit to this Article (each such entity being referred to as a "Bound Party"), agree to encourage the amicable resolution of disputes involving the Common Interest Community and all of its improvements without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit all Claims each may have to the procedures set forth in this Article XVII and not to a court of law.

Section 16.3. Claims. Except as specifically excluded in this Section 16.3, all claims, disputes and other controversies arising out of or relating to the

A. interpretation, application or enforcement of this Declaration,

B. design or construction of improvements within the Common Interest Community or any alleged defect therein,

C. rights, obligations and duties of any Bound Party under this Declaration, and/or

D. breach thereof (all of which are hereinafter referred to as "Claim(s)")

shall be subject to and resolved in accordance with the terms and provisions of this Article XVI.

Unless Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated agree to the contrary, the following shall not be Claims and shall not be subject to the provisions of this Article XVI:

A. any suit by the Association against any Bound Party to enforce the provisions of Article VII(Assessments);

B. any suit by the Association or Declarant to obtain a temporary restraining order or injunction and such other ancillary relief as the court may deem necessary in order for the Association or Declarant to act under and enforce the provisions of Article VIII (Architectural Approval), or Article IX (Land Use and Other Restrictions);

C. any suit by an Owner to challenge the actions of Declarant, the Association, the Architectural Review Committee, or any other committee with respect to the enactment and application of standards or rules or the approval or disapproval of plans pursuant to the provisions of Article VIII (Architectural Approval);

D. any suit between or among Owners, which does not include Declarant or the Association as a party; and

E. any suit in which any indispensable party is not a Bound Party.

Section 16.4. Notice of Claim. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall submit all of their Claims by written notification delivered to each Respondent, stating plainly and concisely:

A. the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

B. the legal or contractual basis of the Claim (i.e., the specific authority out of which the claim arises); and

C. the specific relief and/or proposed remedy sought.

Section 16.5. Timely Initiation. All Claims shall be initiated by the Claimant within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations or repose.

Section 16.6. Right to be Heard. Upon receipt of a Claim and prior to asserting the Claim commencing any arbitration or judicial or administrative proceeding which may fall within the scope of this Article XVI, the Respondent shall have the right to be heard in an effort to resolve the Claim. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Any party may appoint a representative to assist such Party in negotiations.

Section 16.7. Right to Inspect. If the Claim is asserted against Declarant and is based on a defect in the design or the construction of the Improvements within the Common Interest Community, subject to Owner's prior written approval, which shall not be unreasonably withheld, Declarant shall have the right to access the affected area for purposes of inspecting the condition complained of, and the correction thereof, including any necessary redesign. This shall include, but not be limited to, notice prior to conducting any investigative or restrictive testing. All Claimants shall meet with Declarant to discuss, in good faith, ways to resolve the Claim.

The Association shall have the same right to inspect for any claims by an Owner against the Association in accordance with the above. In the exercise of the inspection rights contained herein, the Inspecting Party shall be careful to avoid any unreasonable intrusion upon, or harm, damage or costs to the other party. The party exercising the rights contained herein ("Inspecting Party") shall use best efforts to avoid causing any damage to, or interference with, any improvements on the property being inspected ("Property") and minimize any disruption or inconvenience to any person who occupies the Property; shall remove all debris located on the Property on a daily basis; and in a reasonable and timely manner, at the Inspecting Party's sole cost and expense, promptly remove equipment and materials from the Property and repair, replace and restore the Property to the condition of the Property as of the date of the inspection right. The Inspecting Party shall not permit any claim, lien or other encumbrance arising from the use of its rights to accrue against or attach to the Property. The repair, replacement and restoration work includes, without limitation, the repair or replacement to any structures, driveways, fences, landscaping, utility lines or other improvements on the Property that were damaged, removed or destroyed by Inspecting Party.

The Inspecting Party shall indemnify, defend and hold harmless the Owners, tenants, guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorney's fees, resulting from or in performance of this Agreement, or as a result of any Inspecting Party's breach of this Article.

Section 16.8. Mediation. If the Parties do not resolve the Claim through negotiations within thirty days after the date of submission of the Claim to Respondent(s), as may be extended upon agreement of all affected Parties, Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of an independent mediation service acceptable to all parties. If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and all Respondent(s) shall be released and discharged from any and all liability to Claimant on account of such Claim.

A. Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties.

B. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

C. Within ten days after issuance of a Termination of Mediation, the Claimant shall make a final written Settlement Demand to the Respondent(s), and the Respondent(s) shall make a final written Settlement Offer to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Claim shall constitute the Settlement Demand. If the Respondent(s) fail to make a Settlement Offer, Respondent(s) shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

D. Each Party shall bear its own costs, including attorney's fees, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the mediation proceeding.

E. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with this Article XVI and any Party thereafter fails to abide by the terms of such agreement, then any other Affected Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Article XVI. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party all costs incurred in enforcing such agreement, including without limitation, attorneys' fees and court costs.

Section 16.9. Consensus for Association Arbitration or Litigation. Except as provided in this Article XVI, the Association shall not commence any arbitration or a judicial administrative proceeding unless Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated agree to such proceedings.

This Section 16.9 shall not apply, however, to:

A. actions brought by the Association or Declarant to enforce the terms of this Declaration (including, without limitation, the foreclosure of liens);

B. the imposition and collection of Assessments, fines, costs and attorney fees, or other specific amounts due under the Declaration; or

C. counterclaims brought by the Association in proceedings instituted against it.

Section 16.10. Arbitration. If the Parties do not reach a settlement of the Claim within 15 days after issuance of any Termination of Mediation and reduce the same to writing, the Claimant shall have 15 additional days to submit the Claim to binding arbitration in accordance with the Arbitration Procedures contained in Exhibit G hereof and deliver an Arbitration Notice to all Respondent(s).

A. The parties agree that where any Claim, dispute or other controversy existing between them is submitted to arbitration, and any other Bound Party may have liability with respect thereto, all parties including any third parties agree that the third parties may be joined as additional parties in the arbitration, or if a separate arbitration exists or is separately initiated, to the consolidation of all arbitrations. It is the intent of the parties to resolve all rights and obligations of all interested parties at one time in one forum rather than in multiple proceedings.

B. If the Claim(s) are not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claims shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of such Claims.

C. The award rendered by the arbitrator shall be final and binding, may be filed with any court of competent jurisdiction in accordance with applicable law and judgment obtained thereon, and execution may issue. The party seeking enforcement shall be entitled to all reasonable attorney's fees and costs incurred in the enforcement of the award.

D. The Arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing party such party's costs and expenses, including reasonable attorney's fees.

E. The Association or the Owner shall notify the Declarant (if the Declarant is a Respondent) prior to retaining any person or entity as an expert witness for purposes of any arbitration or authorized litigation.

Section 16.11. Binding Effect. This Article XVI and the obligation to arbitrate shall be specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

Section 16.12. Amendment. This Article XVI shall not be amended unless such amendment is approved by the same sixty-seven percent of the votes of the Association as stated above, and for a period of eight years after the final Initial Improvements are completed, by obtaining the consent of Declarant.

ARTICLE XVII
SECURITY INTEREST PROTECTION

Section 17.1. Rights of First Security Interest Holders: First Security Interest Holders shall have the following rights:

A. Holders of First Security Interests shall have the right, jointly or singly, to pay taxes or other charges or assessments which are in default and which may 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 First Security Interest Holders making any such payments shall be owed immediate reimbursement therefor from the Association.

B. Holders of First Security Interests will be entitled to cure any delinquency of the Owner of the Lot or Unit encumbered by the First Security Interest in the payment of Common Expense Assessments. In such event, the first Security Interest Holder will be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 17.2. Title Taken by First Security Interest Holder: Any first Security Interest Holder who obtains title to a Lot or Unit pursuant to the remedies provided in the Security Interest documentation, including foreclosure or deed in lieu of foreclosure, will be liable for all Common Expense Assessments due and payable as of the date title to the Lot or Unit vests in the Security Interest Holder under the statutes of Colorado governing foreclosures. Except as provided in the Act, such Security Interest Holder will not be liable for any unpaid Common Expense Assessments, dues, and charges attributable to the Lot or Unit which occurred prior to the date such title vests in the Security Interest Holder.

ARTICLE XVIII
MISCELLANEOUS

Section 18.1. Captions: The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents or the intent of any provision thereof.

Section 18.2. Gender: The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.

Section 18.3. Waiver: No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 18.4. Invalidity: The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of the Documents shall continue in full force and effect.

Section 18.5. Conflict: The Documents are intended to comply with the requirements of the Act and the Colorado Revised Nonprofit Corporation Act. If there is any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

Section 18.6. Severability: All provisions of the Documents of the 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 18.7. Registration of Mailing Address: Each Owner shall, and each Security Interest Holder, insurer or guarantor of a Security Interest may register their mailing address with the Association, and except for assessment statements and other routing 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 either delivered to them or sent by first class mail, postage prepaid, addressed in the name of such person or entity at such registered mailing address. However, if any Owner fails to notify the 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 or Unit. All notices, demands, or other notices intended to be served upon the Board or the Association shall be sent by registered or certified mail, postage prepaid, to the Association's Manager or Registered Agent.

Section 18.8. Enforcement: Subject to the provisions of Article XVI, enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws, architectural guidelines, or Rules of the Association, as amended, may be by any proceeding at law or in equity against any person or persons (including, without limitation, the Association) violating or attempting to violate any such provision. Subject to the provisions of Article XVI, the Association and any aggrieved Owner shall have the right to institute, maintain and prosecute any such proceedings, and the Association shall further have the right to levy and collect fines and enforce other established penalties for the violation of any provision of any of the aforesaid documents. In any action instituted or maintained for enforcement, 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 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 18.9. Indemnification: The Association shall indemnify every present and former Director, officer, committee member, agent or employee against loss, costs, and expense, including attorneys' fees reasonably incurred in connection with any action, suit, or proceeding in which such person may be made a party by reason of being, or having been such Director, officer, committee member, agent or employee of the Association, except for wanton or willful acts or omissions or if such person shall be finally adjudged to be liable for: any breach of the Director's duty of loyalty to the Association or its members; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; acts specified in C.R.S. Section 7-129-101 *et. seq*, as now in effect or hereafter amended; or any transaction from which the Director derived an improper personal benefit. Any such indemnification may be limited to and paid out of the insurance proceeds provided by an insurer furnishing Directors and Officers liability coverage, Errors and Omissions coverage, or similar protection and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage. In the event of an insurance settlement, the settlement shall be approved by the Board of Directors and paid for by the insurance carrier out of the insurance proceeds.

Section 18.10. Disclaimer Regarding Security. The Association may, but shall not be required to, maintain or support certain activities within the Common Interest Community designed to make the Common Interest Community safer than it otherwise might be. The Association, the Declarant, any Builder, or any representative or agent of the foregoing, shall not in any way be considered insurers or guarantors of security within the Common Interest Community, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that access gates constitute any form of security, and no representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform all Permitted Users of the terms of this Section 18.10 and that such Permitted User and anyone within the Common Interest Community assumes all risks for loss or damage to persons and to property resulting from acts or failure to act of third parties.

Section 18.11. Conflict with Act: If any of the terms or provisions of this Declaration are in conflict or inconsistent with the Act, the terms or provisions of the Act shall control and govern. In case of any such conflict or inconsistency, the applicable terms and provisions contained in this Declaration shall, to the extent possible, be construed in accordance with the Act, and any conflict with or violation of the Act by any terms or provisions of this Declaration shall not affect, void, or render unenforceable any other term or provision of this Declaration (which shall be in full force and effect in accordance with their terms).

The Declarant has caused this Declaration to be executed this 11 day of December, 2001.

CORPORATE SEAL COLORADO

Vista Ridge Development Corporation a Colorado corporation

By: ______________________
President Title

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

The foregoing Master Declaration of Covenants, Conditions and Restrictions for Vista Ridge was acknowledged before me this 11th day of December, 2001, by [illegible], as President of Vista Ridge Development Corporation, a Colorado corporation.

Witness my hand and official seal.

My commission expires: My Commission Expires March 31, 2003
1510 Seventeenth St., 22nd Floor
Denver, Colorado 80202

[SEAL] NOTARY PUBLIC VIRGINIA A. ELLWOOD-[illegible]RSCH STATE OF COLORADO

____
Notary Public

CONSENT TO
MASTER DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS FOR
VISTA RIDGE

Bank Midwest, N.A., a national banking association, deed of trust beneficiary under Deeds of Trust recorded on September 19, 2000 under Reception No. 2794870, 2794877 and 2798919 in the offices of the Clerk and Recorder of Weld County, Colorado, upon the subject Property, hereby consents to the recording and imposition of the covenants affecting the Property contained in the above-stated Master Declaration of Covenants, Conditions and Restrictions for Vista Ridge ("Declaration") which shall run with the land and be binding on all owners thereof, and the rights of Grantor shall be subordinated thereto, so that the terms of the Declaration shall apply as though recorded prior to the said Deeds of Trust, and the rights under said Deeds of Trust are modified hereby.

Bank Midwest, N.A., a national banking association

By: [signature], V.P.
Title

[SEAL]

Attestation:

[signature], Asst. Sec.
Title

STATE OF Missouri)
) ss.
COUNTY OF Jackson)

The foregoing Consent to Master Declaration of Covenants, Conditions and Restrictions of Vista Ridge was acknowledged before me this 4th day of December, 2001, by John E Baxter as Vice President and Sheri Ramirez as Assistant Secretary of Bank Midwest, N.A., a national banking association.

Witness my hand and official seal.

My commission expires: 7/28/03

[signature]
Notary Public

[SEAL]

NOTARY PUBLIC
MARY THOMPSON
SEAL
STATE OF MISSOURI

MARY THOMPSON
NOTARY PUBLIC - STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXPIRES JULY 28, 2003

CONSENT TO
MASTER DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS FOR
VISTA RIDGE

Lowe Enterprises Residential Investors, LLC, deed of trust beneficiary under a Deed of Trust recorded on February 8, 2001 under Reception No. 2824895 in the offices of the Clerk and Recorder of Weld County, Colorado, upon the subject Property, hereby consents to the recording and imposition of the covenants affecting the Property contained in the above-stated Master Declaration of Covenants, Conditions and Restrictions for Vista Ridge ("Declaration") which shall run with the land and be binding on all owners thereof, and the rights of Grantor shall be subordinated thereto, so that the terms of the Declaration shall apply as though recorded prior to the said Deed of Trust, and the rights under said Deed of Trust are modified hereby.

LOWE ENTERPRISES RESIDENTIAL INVESTORS, LLC,
a Delaware limited liability company

BY: LOWE ENTERPRISES RESIDENTIAL ADVISORS,
a California corporation, its Managing Member

By: ______________________
James D. Hibbert
Vice President

STATE OF CALIFORNIA)
)ss
COUNTY OF ORANGE)

On December 6, 2001, before me, Arlene Tapia Notary Public in and for said State, personally appeared James D. Hibbert personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

ARLENE TAPIA
Commission # 1263667
Notary Public - California
Orange County
My Comm. Expires Jun 9, 2004

____
Notary Public in and for said State

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EXHIBIT A
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VISTA RIDGE

LEGAL DESCRIPTION OF
VISTA RIDGE COMMON INTEREST COMMUNITY

LEGAL DESCRIPTION

None at this time

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EXHIBIT B
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VISTA RIDGE

LEGAL DESCRIPTION OF
AIR PARK REAL PROPERTY

Lots 1 - 4, Block 1; Lots 1 - 46, Block2; Lots 1 - 25, Block 3; Lots 1 - 18, Block 4; Lots 1 - 16, Block 5; Lots 1 - 10, Block 6
Erie Airpark Subdivision according to the plat thereof recorded May 3, 1978 in Book 830, Reception No. 1752380,
Town of Erie,
County of Weld,
State of Colorado

Lots 1 - 7,
Erie Airpark Subdivision Replat B according to the plat thereof recorded January 26, 1995 in Book 1477, Reception No. 2424253,
Town of Erie,
County of Weld,
State of Colorado

Lots 1 - 3,
Erie Airpark Subdivision Replat C according to the plat thereof recorded June 8, 1999 at Reception No. 2699013,
Town of Erie,
County of Weld,
State of Colorado

EXHIBIT C
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VISTA RIDGE

DESCRIPTION OF COMMON ELEMENTS (INCLUDING IMPROVEMENTS)

I. Common Elements Created or Becoming a Part of the Common Interest Community Upon Recordation of This Declaration:

None

II. General Description of Future Common Elements that may be Created and Become Part of the Common Interest Community

A. Recreational Facilities:

Community Center, pool, tennis courts, satellite pool center and related facilities

B. Other:

Tot lots, collector streetscape, community trails, miscellaneous open space areas

EXHIBIT D
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VISTA RIDGE

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

Parcels 1, 2A, 2B, 5, 6, 7A, 7B, 8A, 8B, 9A, 9B, 10A, 10B, 10C, 10D, 11, 12, 13A, 13B, 14A, 14B, 15, 16, 17, 18, 19A, 19B, 20, 21A, 21B, 25, 26, 27A, 27B, and Tracts 18A, 18B and 19 of the Vista Ridge Master Final Plat, and Parcels A, C, D, F, G and I of the Weld County Road 5 Vacation, Town of Erie, County of Weld, State of Colorado

and

Lot 2, Vista Ridge Filing No. 1A, Final Plat
Town of Erie, County of Weld, State of Colorado

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**EXHIBIT E
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VISTA RIDGE**

LEGAL DESCRIPTION OF GOLF COURSE

Tracts 7A, 7B, 8, 9, 10A, 10B, 10C, 11, 12, 13, 14A, 14B, 15 and 20 of the Vista Ridge Master Final Plat, and Parcels B and H of the Weld County Road 5 Vacation, Town of Erie, County of Weld, State of Colorado

EXHIBIT F
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VISTA RIDGE

EASEMENTS AND LICENSES BURDENING AND SERVING
VISTA RIDGE

See attached Schedule

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

SCHEDULE B - Section 2

Order No. UC64738A01-2

Exceptions

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. Taxes and Assessments not certified to the Treasurer's Office.

2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.

3. Easements, or claims of easements, not shown by public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the land would disclose, and which are not shown by the public records.

5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

6. Any and all unpaid taxes, assessments and unredeemed tax sales.

7. Right of way for Colorado State Highway No. 7 as conveyed to Weld County, Colorado in Deed recorded January 20, 1943 in Book 1104 at Page 388.

8. THIS ITEM INTENTIONALLY OMITTED.

9. THIS ITEM INTENTIONALLY OMITTED.

10. An Oil and Gas Lease, from S.S.P. Inc. as Lessor(s) to Martin Exploration Management Company as Lessee(s) dated March 5, 1991, recorded March 13, 1991 in Book 1292 at Reception No. 2443722, as assigned to Gerrity Oil & Gas Corporation (now known as Patina Oil & Gas Corporation) by Assignment recorded December 3, 1993 in Book 1415 at Reception No. 2362503.

11. An Oil and Gas Lease, from Ray Stafford Supply, Inc. as Lessor(s) to Martin Exploration Management Company as Lessee(s) dated March 5, 1991, recorded March 13, 1991 in Book 1292 at Reception No. 2243723 as assigned to Gerrity Oil & Gas Corporation (now known as Patina Oil & Gas Corporation) by Assignment recorded December 3, 1993 in Book 1415 at Reception No. 2362503.

12. An easement for a pipe line for the transportation of oil, gas or other substances and incidental purposes granted to K N Front Range Gathering Company by the instrument recorded May 3, 1993 in Book 1381 at Reception No. 2331356.

13. Rights of way for County Roads 30 feet on either side of Section and Township lines, as established by the Board of County Commissioners for Weld County,

--Continued

Schedule B - Section 2 continued

Order No. UO6473SA01-2

Colorado, recorded October 14, 1889 in Book 86 at Page 273.

14. The right of proprietor of a vein or lode to extract or remove his ore should the same be found to penetrate or intersect the premises thereby granted as reserved in United States patent recorded in Book 34 at Page 12; and any and all assignments thereof or interest therein.

15. The mineral interest reserved by Ticonic Investment Company in Book 1393 at Page 619 was conveyed to Plankinton House Company by an instrument recorded in Book 1562 at Page 216, which conveyed to Wells Building Company by a Quit Claim Deed recorded in Book 524 at Reception No. 1445943, which conveyed to Will Hippen, Jr., by a Quit Claim Deed recorded in Book 640 at Reception No. 1562152. Will Hippen, Jr's personal representative conveyed half of his interest to Japanese Friendship Garden Society by a Deed recorded in Book 1298 at Reception No. 2249739 and the remaining one half of his interest to Donald N. Sharp Community Hospital by a Deed recorded in Book 1298 at Reception No. 2249740.

16. An Oil and Gas Lease, from Will Hippen, Jr. as Lessor(s) to Martin Exploration Management Corporation as Lessee(s) dated May 1, 1983, recorded February 18, 1983 in Book 989 at Reception No. 1917961, as assigned to Gerrity Oil & Gas Company (now known as Patina Oil & Gas Corporation) by Assignment recorded December 3, 1993 in Book 1415 at Reception No. 2362503.

17. An easement for electric transmission, distribution and service lines and incidental purposes granted to Public Service Company of Colorado by the instrument recorded April 10, 1942 in Book 1093 at Page 69.

18. THIS ITEM INTENTIONALLY OMITTED.

19. An Oil and Gas Lease recorded in Book 950 at Reception No. 1872135 was assigned to Martin Exploration Management Company and then to Patina Oil & Gas Corporation by mesne assignments recorded in Book 960 at Reception No. 1882609, Book 1223 at Reception No. 2169438, Book 1292 at Reception No. 2242867, Book 1381 at Reception No. 2331627, Book 1383 at Reception No. 2333271, Book 1473 at Reception No. 2420621, Book 1557 at Reception No. 2511721, Book 1622 at Reception No. 2565410, Book 1634 at Reception Nos 2578186, 2578187 and 2578189.

20. An easement for a pipeline for the transportation of hydrocarbon products and incidental purposes granted to Western Slope Gas Company by the instrument recorded February 19, 1982 in Book 961 at Reception No. 1883574 and 1883575.

21. An easement for pipelines for the transportation of hydrocarbon products and incidental purposes granted to Coors Energy Company by the instrument recorded December 6, 1983 in Book 1014 at Reception No. 1989116.

CONTINUED

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

Schedule B - Section 2 continued

Order No. U064738A01-2

22. An easement for pipelines for the transportation of hydrocarbon products and incidental purposes granted to Western Slope Gas Company by the instrument recorded December 16, 1983 in Book 1015 at Reception No. 1950342.

23. An easement for pipelines for the transportation of hydrocarbon products and incidental purposes granted to Coors Energy Company by the instrument recorded December 16, 1983 in Book 1015 at Reception No. 1950344.

24. An easement for a pipeline for the transportation of oil, gas or other substances and incidental purposes granted to K N Front Range Gathering Company by the instrument recorded April 9, 1993 in Book 1377 at Reception No. 2328254.

25. An easement for electrical facilities and incidental purposes granted to United Power, Inc. by the instrument recorded October 26, 1995 in Book 1516 at Reception No. 2461218.

26. The right of proprietor of a vein or lode to extract or remove his ore should the same be found to penetrate or intersect the premises thereby granted as reserved in United States patent recorded in Book 34 at Page 322; and any and all assignments thereof or interest therein.

27. An easement for pipelines for the transportation of hydrocarbon products and incidental purposes granted to Coors Energy Company by the instrument recorded December 8, 1981 in Book 955 at Reception No. 1876512.

28. An easement for pipelines for the transportation of hydrocarbon products and incidental purposes granted to Western Slope Gas Company by the instrument recorded December 8, 1981 in Book 955 at Reception No. 1876513.

29. An Oil and Gas Lease, from Stanley A. Zimmerman and Leona M. Zimmerman as Lessor(s) to Martin Exploration Management Company as Lessee(s) dated March 6, 1991, recorded June 26, 1991 in Book 1302 at Reception No. 2254398, as assigned to Gerrity Oil & Gas Company (now known as Patina Oil & Gas Corporation) by Assignment recorded December 3, 1993 in Book 1415 at Reception No. 2362503.

30. Reservations by the Union Pacific Railroad Company (now known as Union Pacific Resources Company) of (1) oil, coal and other minerals underlying the land, (2) the exclusive right to prospect for, mine and remove oil, coal and other minerals, and (3) the right of ingress and egress and regress to prospect for, mine and remove oil, coal and other minerals, all as contained in Deed recorded June 14, 1902 in Book 201 at Page 16, and any and all assignments thereof or interests therein.

Note: Relinquishment and Quit Claim as to the surface entry only, for minerals exclusive of oil, gas and associated liquid hydrocarbons, to Vista

CONTINUED

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

Schedule B - Section 2 continued

Order No. U064738A01-2

Ridge Development Corporation, recorded August 21, 2000 at Reception No. 2788395.

Note: Surface Use Agreement by and between Union Pacific Resources Company and Vista Ridge Development Corporation recorded August 21, 2000 at Reception No. 2788394.

31. A Right-of-way Easement to install, construct, maintain, alter, repair, replace, reconstruct, operate and remove pipelines and related appurtenances, fixtures or devices for the transportation of hydrocarbon products as granted to Western Slope Gas Company, a Colorado Corporation in the instrument recorded February 19, 1982 in Book 961 at Reception No. 1883580 and re-recorded May 24, 1982 in Book 968 at Reception No. 1892531, said easement being described as follows:
A strip of land 50 feet wide over and across the Northerly 50 feet of the Northwest Quarter of Section 33, Township 1 North, Range 68 West of the 6th P.M., Weld County, Colorado.

32. A Right-of-way Easement to install, maintain, construct, alter, repair, replace, reconstruct, operate and remove pipelines and related appurtenances, fixtures or devices for the transportation of hydrocarbon products as granted to Coors Energy Company, a Colorado Corporation in the instrument recorded November 14, 1983 in Book 1013 at Reception No. 1946853, said easement being described as follows:
Commencing at the Northwest Corner of Section 33, Township 1 North, Range 68 West;
thence South 01°28'33" East, a distance of 35.0 feet to the True Point of Beginning;
thence North 88°20'12" East, a distance of 1,770.80 feet to the Point of Terminus;
All bearings are based on Colorado State Plane Coordinate System.
Said 50 foot easement being a strip of land over and across the Northerly 50 feet of the Northwest Quarter of Section 33, Township 1 North, Range 68 West of the 6th P.M., Weld County, Colorado.

33. Notice concerning underground facilities of United Power, Inc., formerly Union Rural Electric Association, Inc., recorded January 24, 1991 in book 1288 at Reception No. 2239296.

34 The following notices pursuant to CRS 9-1.5-103 concerning underground facilities have been filed with the Weld County Clerk and Recorder. These statements are general and do not necessarily give notice of underground facilities within the subject property.

(a) Continental Pipeline Company, recorded January 8, 1955 in book 1408 at Page 480.
(b) Mountain Bell Telephone Company, recorded October 1, 1981 in Book 949 at

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Reception No. 1870705.
(c) Colorado Interstate Gas Company, recorded August 31, 1984 in Book 1041 at Reception No. 1979784.
(d) Associated Natural Gas, Inc., recorded April 10, 1989 in Book 1229 at Reception No. 2175917.

35. An easement for right of way and incidental purposes granted to KN Wattenberg Transmission, LLC by the instrument recorded September 4, 1998 at Reception No. 2638346.

36. Excluding and excepting from the transfer by these presents "All Mineral Lands" should any such be found to exist in the tracts described in the foregoing, but this exclusion and exception, according to the terms of the statute, "shall not be construed to include coal and iron land" by the Patent recorded July 9, 1902 in Book 201 at Page 66.

37. Any undivided full interest in all oil, gas and associated liquid hydrocarbons conveyed to Champlin Petroleum Company (now known as Union Pacific Resources Company) by Mineral Deed recorded November 30, 1972 in Book 681 at Reception No. 1602712 and any and all assignments thereof or interest therein.

38. This item intentionally omitted.

39. Any right of way for Community Ditch.

40. The following notices pursuant to CRS 9-1.5-103 concerning underground facilities have been filed with the Clerk and Recorder. These statements are general and do not necessarily give notice of underground facilities within the subject property.
(a) Union Rural Electric Association, Inc., recorded January 24, 1991 in Book 1288 at Reception No. 2239296.
(b) Continental Pipeline Company as disclosed by assignment recorded January 8, 1955 in Book 1408 at Page 480.

41. An easement for right of way and incidental purposes granted to Mountain States Telephone and Telegraph Company by the instrument recorded November 18, 1986 in Book 1135 at Reception No. 2077413.

42. Any existing leases or tenancies.

43. Any water rights or claims or title to water, in, on or under the land.

44. THIS ITEM INTENTIONALLY OMITTED.

45. An easement for communications and other facilities and incidental purposes granted to The Mountain States Telephone and Telegraph Company by the instrument recorded January 5, 1987 in Book 1141 at Reception No. 2083324.

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Schedule B - Section 2 continued

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46. An undivided 50% interest in all oil, gas and other minerals as reserved by Stanley A. Zimmerman and Leone M. Zimmerman recorded June 27, 1972 in Book 670 at Reception No. 1592499, and any and all assignments thereof or interests therein.

47. An Oil and Gas Lease, from Lyle J. and Betty L. Picraux as Lessor(s) to Petrogulf Energy Company as Lessee(s) dated August 20, 1981, recorded September 18, 1981 in Book 947 at Reception No. 1868894, and any and all assignments thereof or interests therein.

48. The Oil and Gas Lease recorded in Book 953 at Reception No. 1874598 was assigned to Martin Exploration Management Company and Patina Oil and Gas Corporation by mesne assignments recorded in Book 960 at Reception No. 1882609; Book 1223 at Reception No. 2169438; Book 1292 at Reception No. 2242867; Book 1381 at Reception No. 2331627; Book 1383 at Reception No. 2333271; Book 1473 at Reception No. 2420621; Book 1567 at Reception No. 2511721, Book 1622 at Reception No. 2565410 and in Book 1634 at Reception Nos. 2578186, 2578187 and 2578189.

49. This item intentionally omitted.

50. Right of way for Weld County Road 3 over the Westerly 30 feet of the land.

51. An Oil and Gas Lease, from Thomas H. Jenkins and Deborah K. Jenkins as Lessor(s) to Petrogulf Enerby Company as Lessee(s), recorded November 16, 1981 in Book 953 at Reception No. 1874597, and any and all assignments thereof or interests therein.

52. Terms, conditions, provisions, agreements and obligations specified under the Contingent Fee Agreement by and between Allan E. Pezoldt, The Allen E. Pezoldt Revocable Living Trust and the Law Firm of Strand, Meadows and Webb recorded May 2, 2000 at Reception No. 2765509.

NOTE: UPON REQUIRMENTS BEING MET THE ABOVE ITEM WILL NOT BE REFLECTION IN FINAL POLICY WHEN ISSUED.

53. The following matter as disclosed by Survey prepared by Hurst & Associates, Inc., Job No. 214203, dated May 23, 2000:
a) Irrigation ditches traversing Parcel 6A located on the Easterly side of 50 foot Community Ditch right of way, as shown thereon.
b) Tri-County Airport Approach Surface Area as shown covering Parcels 2A, 3, 4, 5 and 11.

54. The effect of a document entitled "Certificate of Organization for the Northwest Parkway Public Highway Authority" recorded June 30, 1999 at Reception No. 2703636.

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Form No. 1344-B2 (CC-88)
ALTA Plain Language Commitment

Schedule B - Section 2 continued

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55. The effect of a document entitle "Vacant Land/Farm and Ranch Contract" by and between Gregory Ken, as buyer and Allan E. Pezoldt, as seller recorded May 17, 2000 at Reception No. 2768644 and Assignment and Amendment recorded May 17, 2000 at Reception No 2768645 and Amendment recorded May 17, 2000 at Reception No. 2768646.

    NOTE: UPON REQUIREMENTS BEING MET THE ABOVE ITEM WILL NOT BE REFLECTED IN FINAL POLICY WHEN ISSUED.

56. An undivided 50 percent interest in all oil, gas and other minerals as reserved by Stanley A. Zimmerman and Leone M. Zimmerman recorded June 27, 1972 in Book 670 at Reception No. 1592499, and any and all assignments thereof or interests therein.

57. The right of proprietor of a vein or lode to extract or remove his ore should the same be found to penetrate or intersect the premises thereby granted as reserved in United States patent recorded in Book 34 at Page 311; and any and all assignments thereof or interest therein.

58. THIS ITEM INTENTIONALLY OMITTED.

59. Reservation of a portion of the mineral estate as reflected in Deed from Stanley A. Zimmerman and Leone M. Zimmerman, as Trustee's under Revocable Living Trust Agreement dated November 12, 1993 to Vista Ridge Development recorded August 23, 2000 at Reception No. 2789218.

60. Mineral Reservation as reflected in Deed from Rory H. Ladwig and Reese K. Ladwig to Vista Ridge Development recorded (To Be Recorded).

61. Ordinance of Annexation of Parcel A, Recorded Exemption No. 1467-32-3-RE173 to the Town of Erie, recorded August 30, 2000 at Reception No. 2790547.

62. Ordinance of Zoning the 370 Weld County Road 3, Annexations No. 1 and 2 to the Town of Erie, recorded August 30, 2000 at Reception No. 2790548.

63. Ordinance Zoning the Vista Ridge Annexation to Planned Development (PD), recorded August 30, 2000 at Reception No. 2790549.

64. Ordinance Annexing Vista Ridge into the Town of Erie recorded August 30, 2000 at Reception No. 2790550.

65. Assignment and Deed of Right, Title and Interest, as well as any future interest to Vista Ridge Development Corporation recorded August 23, 2000 at Reception No. 2789219.

66. Deed of Trust from VISTA RIDGE DEVELOPMENT CORPORATION, a Colorado Corporation; Vista Ridge, LLC, a Colorado limited liability company and

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Schedule B - Section 2 continued

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Southwest Weld County Land, LLC, a Colorado limited liability company, to the Public Trustee of Weld County, for the benefit of Bank Midwest, N.A., a national banking association, securing an original principal indebtedness of $13,433,294.00, and any other amounts and/or obligations recorded September 19, 2000 at Reception No. 2794870.

Assignment of Leases and Rents in connection with the above Deed of Trust recorded September 19, 2000 at Reception No. 2794871.

Assignment of Development Assets in connection with the above Deed of Trust recorded September 19, 2000 at Reception No. 2794872.

Disbursers Notice recorded September 19, 2000 at Reception No. 2794876.

67 Deed of Trust from VISTA RIDGE DEVELOPMENT CORPORATION, a Colorado Corporation; Vista Ridge, LLC, a Colorado limited liability company and Southwest Weld County Land, LLC, a Colorado limited liability company, to the Public Trustee of Weld County, for the benefit of Bank Midwest, N.A., a national banking association, securing an original principal indebtedness of $13,433,294.00, and any other amounts and/or obligations recorded September 19, 2000 at Reception No. 2794877.

Assignment of Leases and Rents in connection with the above Deed of Trust recorded September 19, 2000 at Reception No. 2794878.

Disbursers Notice recorded September 19, 2000 at Reception No. 2794880.

68. Deed of Trust from VISTA RIDGE DEVELOPMENT CORPORATION, a Colorado Corporation; Vista Ridge, LLC, a Colorado limited liability company and Southwest Weld County Land, LLC, a Colorado limited liability company, to the Public Trustee of Weld County, for the benefit of Bank Midwest, N.A., a national banking association, securing an original principal indebtedness of $13,433,294.00, and any other amounts and/or obligations recorded September 19, 2000 at Reception No. 2798919.

Assignment of Leases and Rents in connection with the above Deed of Trust recorded September 19, 2000 at Reception No. 2798923.

Disbursers Notice recorded September 19, 2000 at Reception No. 2798920.

69. Financing Statement from VISTA RIDGE DEVELOPMENT CORPORATION, a Colorado Corporation; Vista Ridge, LLC, a Colorado limited liability company and Southwest Weld County Land, LLC, a Colorado limited liability company, Debtor, to Bank Midwest, N.A. a national banking association, Secured Party, recorded September 19, 2000 at Reception No. 2794875.

70. Financing Statement from VISTA RIDGE DEVELOPMENT CORPORATION, a Colorado

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Corporation; Vista Ridge, LLC, a Colorado limited liability company and Southwest Weld County Land, LLC, a Colorado limited liability company, Debtor, to Bank Midwest, N.A. a national banking association, Secured Party, recorded September 19, 2000 at Reception No. 2794879.

71. Financing Statement from VISTA RIDGE DEVELOPMENT CORPORATION, a Colorado corporation; Vista Ridge, LLC, a Colorado limited liability company and Southwest Weld County Land, LLC, a Colorado limited liability company, Debtor, to Bank Midwest, N.A. a national banking association, Secured Party, recorded October 9, 2000 at Reception No. 2798921.

72. Assignment of Reimbursables recorded September 19, 2000 at Reception No. 2794873.

73. Assignment of Credits recorded September 19, 2000 at Reception No. 2794874.

74. The effect of Annexation Maps recorded August 25, 2000 at Reception No. 2789487 and September 15, 2000 at Reception Nos. 2793937, 2793938, 2793939 and 2793940.

75. Terms, conditions, provisions, agreements and obligations specified under the Memorandum of Right of First Refusal by and between Vista Ridge Development Corporation and H. Kenneth Johnston II and Linda J. Johnston recorded October 20, 2000 at Reception No. 2301380.

76. An Oil and Gas Lease, from Marshall D. Smith and Joanna Smith as Lessor(s) to Petrogulf Energy Company as Lessee(s) recorded December 22, 1981 in Book 958 at Reception No. 1879773, and any and all assignments thereof or interests therein.

77. THIS ITEM INTENTIONALLY OMITTED.

78. Terms, conditions, provisions, agreements and obligations specified under the Oil and Gas Lease, executed by Champlin Petroleum Company nka Union Pacific Railroad Company and Pan American Petroleum Corporation recorded October 16, 1976 in Book 681 at Reception No. 1602713.

79. Terms, conditions, provisions, agreements and obligations specified under the Vista Ridge Annexation Agreement by and between Vista Ridge Development Corporation, et al and The Town of Erie, Colorado recorded September 15, 2000 at Reception No. 2793930 and re-recorded December 8, 2000 at Reception No. 2812291.

80. Memorandum of Contract by and between Vista Ridge, LLC, and H. Kenneth Johnston II and Linda J. Johnston recorded December 1, 2000 at Reception No. 2810529.

CONTINUED

Form No. 1344-B2 (CO-88)
ALTA Plain Language Commitment

Schedule B - Section 2 continued

Order No. U064738A01-2

81. Any assessment or lien of Vista Ridge Metropolitan District, as disclosed by the instrument recorded January 2, 2001 at Reception No. 2817763.

82. Deed of Trust from Vista Ridge Development Corporation, to the Public Trustee of Weld County, for the benefit of Lowe Enterprises Residential Investments LLC., securing an original principal indebtedness of $ 15,000,000.00, and any other amounts and/or obligations, recorded February 8, 2001 at Reception No. 2824895.

83. Terms, conditions, provisions, agreements and obligations specified under the Agreement by and between Vista Ridge LLC; Southwest Weld County Land LLC; Bank Midwest and Lowe Enterprises Residential Investments LLC, recorded February 8, 2001 at Reception No. 2824894.

84. Financing Statement from Vista Ridge Development Corporation, Debtor, to Bank Midwest N.A., Secured Party, recorded July 10, 2001 at Reception No. 2864596.

EXHIBIT G
TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
VISTA RIDGE

ARBITRATION PROCEDURES

1. All Claims subject to arbitration shall be decided by a single private party arbitrator to be appointed by the parties.

2. If the parties are unable to agree upon an arbitrator within thirty (30) days from the date of the Arbitration Notice, the presiding judge of the District Court in Weld County shall appoint a qualified arbitrator upon application of a party.

3. No person shall serve as the arbitrator who may have any financial or personal interest in the result of the arbitration or any family, social or significant professional acquaintance with any other party to the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Arbitrator's Disclosure"). If any party objects to the service of any arbitrator within 14 days after receipt of that Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner as provided in paragraph 2 above.

4. The arbitrator shall fix the date, time and place for the hearing. The arbitration proceedings shall be conducted in Weld County, unless otherwise agreed by the parties.

5. Subject to the provisions of these procedures, the arbitration shall be conducted in accordance with rules and procedures determined by the arbitrator.

6. No formal discovery shall be conducted in the absence of an order of the arbitrator or express written agreement of the parties.

7. Unless directed by the arbitrator, there shall be no post-hearing briefs.

8. The arbitration award shall address each claim to be resolved in the arbitration, provide a summary of the reasons therefor and the relief granted, and be rendered promptly after the close of the hearing and no later than 14 days from the close of the hearing, unless otherwise agreed by the parties. The award shall be in writing and shall be signed by the arbitrator.

9. The arbitrator shall have the authority, in the exercise of sound discretion, and as may be required by Colorado law, to award the prevailing party such party's costs and expenses, including reasonable attorneys fees.

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FIRST AMENDMENT TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VISTA RIDGE

This First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Vista Ridge ("First Amendment") is made effective the 27 day of January, 2003.

RECITALS

Whereas, on December 14, 2001 the Master Declaration of Covenants, Conditions and Restrictions for Vista Ridge ("Declaration") was recorded at Reception number 2909244 in the offices of the Clerk and Recorder in Weld County, Colorado; and

Whereas, Article XII, Section 12.3 of the Declaration provides that it may be amended at any time by an instrument signed by not less than sixty-seven percent (67%) of the Owners of Lots and Units, or by the affidavit provided for in Section12.3.B.(iii) recorded with the Clerk and Recorder of Weld County, Colorado; and

Whereas, the undersigned are the Owners of more than sixty-seven percent (67%) of the Lots and said Owners believe it is desirable to amend the Declaration; and

Whereas, Section 12.2.B of the Declaration permits the undersigned as the Declarant to make nonmaterial changes to the Declaration, such as the correction of a technical, clerical, grammatical or typographical error or clarification of a statement and the undersigned Declarant desires to amend the Declaration to make such a clarification.

Now Therefore, the undersigned, hereby amend the Declaration as follows:

1. Section 1.2 of the Declaration is hereby revoked, and the following is substituted therefor:

   Section 1.2. Affiliate: Those Affiliate Owners exercising rights pursuant to the provisions of Section 4.2 hereof. The act of exercising such rights and benefits shall hereafter be referred to as an Affiliation.

2. Section 4.2 of the Declaration is hereby revoked, and the following is substituted therefor:

   Section 4.2. Affiliation for Affiliate Owners: Each Affiliate Owner shall be entitled to become an Affiliate of the Association from time to time, subject to the limitations contained herein. Except as specifically set forth herein, Affiliates shall have no rights or benefits in the Association, its properties, or the Common Elements. Each Affiliation shall be for a one calendar year term, exercised by providing written notification, at least ninety (90) days in advance of the calendar year for which the Affiliation applies, to the Association or its manager. Notwithstanding the foregoing, in 2003 the deadline for exercising Affiliations shall be May 1, 2003. Upon payment of the Affiliate dues, such Affiliation shall entitle such Affiliate to use the Recreation Facilities in the same manner and on the same restrictions and limitations as Members, subject to Rules adopted by the Board. An Affiliation may be

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exercised, if at all, by the Affiliate paying the Affiliate dues, in advance, according to the payment schedule determined by the Board. Affiliate dues shall be determined by the Board in connection with the budget adopted by the Board, in its reasonable discretion. The dues shall be determined based on a reasonable estimate of the Common Expenses related only to the Recreational Facilities.

Affiliate Owners shall include the following: (a) Air Park Owners and the permanent residents of their households; (b) Multi-family Unit Owners and the permanent residents of their households; (c) Commercial Property Users; and (d) Declarant Affiliates. No more than one Affiliation shall be available to each designated Air Park Owner Owner (as provided in Section 1.4).

There shall be a total of one hundred (100) Affiliations available to Multi-family Unit Owners during each calendar year. "Multi-family Unit Owners" are owners of condominium units located on the real property described on Exhibit A to this First Amendment. These Affiliations may be exercised, if at all, by notification from the Multi-family Unit Owners' Subassociation at least ninety (90) days prior to each calendar year. No more than one Affiliation shall be available to any one Multi-family Unit Owner, and each Affiliation shall allow use of the Recreation Facilities by the permanent residents of the corresponding condominium unit. The Subassociation shall determine how the Multi-family Unit Owner Affiliations shall be allocated among the Multi-family Unit Owners.

There shall be total of one hundred (100) Affiliations available to Commercial Property Users during each calendar year. "Commercial Property Users" are owners, employees, tenants, tenant employees and others affiliated with users of the property zoned for commercial or golf course use within the Vista Ridge Development Guide. The legal description of such property is set forth on Exhibit B to this First Amendment. Declarant shall designate the number of Affiliations available to each Commercial Property User and shall designate the time limitations and assignment rights, if any, associated with such use. For example, a tenant with a three year lease may be limited to three years of Affiliations, while a commercial property owner may not have any time limitation, and may be able to assign its rights to future owners of its property. Each Affiliation provided to a Commercial Property User shall allow use of the Recreation Facilities by up to four (4) designated individuals.

There shall be a total of twelve (12) Affiliations available to Declarant Affiliates during each calendar year. Declarant Affiliates shall include owners, agents, employees, independent contractors and other parties affiliated with Declarant. Declarant shall designate all Declarant Affiliates and may impose time limitations or other restrictions upon such Declarant Affiliate rights. Each Affiliation provided to a Declarant Affiliate shall allow use of the Recreation Facilities by up to four (4) designated individuals. The rights of Declarant Affiliates under this Section 4.2 shall expire automatically five (5) years after Declarant has conveyed all of the property subject to the Vista Ridge Development Plan, recorded September 15, 2000 at Reception No 2793940 in the offices of the Clerk and Recorder of Weld County, Colorado, to non-Declarant and non-Successor Declarant third parties, and any

Declarant Affiliate rights shall expire on December 31 of that same year.

3. Section 7.11 of the Declaration is hereby revoked, and the following is substituted therefor:

Section 7.11. Working Capital Fund: The Association shall require the first Owner of any Lot or Unit (other than a Declarant or a Builder) who purchases that Lot or Unit from Declarant or a Builder to make a nonrefundable contribution to the Association in the amount of $250.00 (regardless of whether or not assessments have commenced as provided in Section 7.1). Said contribution shall be collected and transferred to the Association at the time of closing of the sale by Declarant or a Builder of each Lot or Unit as aforesaid, and may be used for the benefit of the Association as the Board deems appropriate, including, without limitation, to meet unforeseen expenditures or to purchase additional 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 their Lot or Unit, an Owner shall be entitled to a credit from their transferee (but not from the Association) for the aforesaid contribution to working capital fund.

4. The Declaration affects all of the Development Property described in Exhibit D attached thereto, which property is also described in Exhibit C to this First Amendment, attached hereto and incorporated herein by this reference. However, the Development Property shall not be subject to the covenants, conditions, terms or restrictions of the Declaration until it or such portions thereof, are annexed into, and specifically made subject to the provisions of the Declaration.

5. The Declaration does not affect, encumber, restrict or otherwise impact the property described in Exhibit B to the Declaration.

6. Except as modified herein, the Declaration shall remain in full force and effect.

In Witness Whereof the undersigned Owners have set their hands effective the day and year first set forth above.

Vista Ridge Development Corporation a Colorado corporation

By: ______________________ Title

ANDY CHAIKOVSKY
PRESIDENT

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STATE OF COLORADO)
) ss.
COUNTY OF Adams)

The foregoing First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Vista Ridge was acknowledged before me this 27th day of January, 2003, by Andy Chaikovsky, as President of Vista Ridge Development Corporation, a Colorado corporation.

Witness my hand and official seal.

My commission expires: 5-24-2006

[SEAL]

LISA JACOBY NOTARY PUBLIC STATE OF COLORADO

Notary Public

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EXHIBIT A
MULTI-FAMILY PROPERTY
LEGAL DESCRIPTION

Parcel 28, Vista Ridge Master Final Plat
County of Weld, State of Colorado

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EXHIBIT B
COMMERCIAL PROPERTY
LEGAL DESCRIPTION

Parcels 30, 31, 32, 33, 34 and 35
Vista Ridge Master Final Plat

and

The Southwest Quarter of the Southwest Quarter except the north 330 Feet thereof, Section 32, Township 1 North, Range 68 West of the Sixth Principal Meridian

County of Weld, State of Colorado

EXHIBIT C
DEVELOPMENT PROPERTY
LEGAL DESCRIPTION

Parcels 1, 2A, 2B, 5, 6, 7A, 7B, 8A, 8B, 9A, 9B, 10A, 10B, 10C, 10D, 11, 12, 13A, 13B, 14A, 14B, 15, 16, 17, 18, 19A, 19B, 20, 21A, 21B, 25, 26, 27A, 27B, and Tracts 18A, 18B and 19 of the Vista Ridge Master Final Plat, and Parcels A, C, D, F, G and I of the Weld County Road 5 Vacation, Town of Erie, County of Weld, State of Colorado

and

Lot 2, Vista Ridge Filing No. 1A, Final Plat
Town of Erie, County of Weld, State of Colorado