

**MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PINERIDGE HOMEOWNERS ASSOCIATION**
A Colorado nonprofit corporation

March 3, 2000

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**MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PINERIDGE**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PINERIDGE is' made as of March 3, 2000, by Genesee Communities V, Inc., a Colorado corporation ("Declarant").

ARTICLE I

GENERAL

1.1 Purposes. This "Declaration" (as defined below) is executed in order to impose upon certain real property mutually beneficial restrictions under a 'general plan of improvement for the benefit of the owners of each portion of such property, and to establish a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of such property. In furtherance thereof, this Declaration provides for the creation of PineRidge Homeowners Association to own, operate and maintain the Common Elements (as defined below), and to administer and enforce the provisions of this Declaration, the Bylaws and the Rules (as such terms are defined below).

1.2 Declaration. Declarant, and the Current Owners, each for itself and its successors and assigns, hereby declare that all of the Property (as defined below) shall, from and after the date hereof, constitute a planned community and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied and enjoyed subject to the covenants, conditions, restrictions, reservations, easements, equitable servitudes and other provisions set forth in this Declaration in furtherance of, and the same shall constitute, a general plan for the subdivision, ownership, improvement, sale, use and occupancy of the Property and to enhance the value, desirability and attractiveness of the Property. This Declaration shall: (i) run with the Property at law and as an equitable servitude; (ii) bind any Person (as defined below) having or acquiring any right, title or interest in any portion of the Property; (iii) inure to the benefit of and be binding upon every part of the Property and every interest therein; and (iv) inure to the benefit of, be binding upon and be enforceable by Declarant and its successors in interest and assigns, each Owner (as defined below) and its heirs, successors in interest and assigns, and the Association (as defined below) and its successors in interest.

1.3 Exhibits. The following exhibits are attached to and, by this reference, incorporated as part of this Declaration:

Exhibit A	Legal Description of the Property
Exhibit B	Easements, Licenses and other Recorded Matters Affecting the Property
Exhibit C	Legal Description of the Additional Lands
Exhibit D	Common Allocations
Exhibit E	Common Elements

1.4 Open Space Covenants. The Open Space Tract (as defined below) will be subject to the terms and provisions of the Open Space Declaration (as defined below). The Open Space Declaration imposes certain restrictions on the use of the Open Space Tract, and imposes certain obligations on the Association with respect thereto, including the obligation to maintain the Open Space Tract in conformance with the Open Space Management Plan (as defined below).

ARTICLE II

DEFINITIONS

The following terms shall have the meanings set forth below when used herein.

2.1 Act. The Colorado Common Interest Ownership Act, codified at C.R.S. § 38-33.3-101 et seq., as the same has been and may hereafter be amended from time to time, and any statute which from time to time may replace the same.

2.2 Additional Lands. The real property described on Exhibit C.

2.3 Articles of Incorporation or Articles. The Articles of Incorporation of the Association which have been or will be filed with the Secretary of State of the State of Colorado, as amended from time to time.

2.4 Assessment. An assessment, which may be a Common Assessment, a Limited Assessment, a Special Assessment or a Specific Assessment, that is levied by the Association on one or more Units pursuant to the terms of this Declaration.

2.5 Association. PineRidge Homeowners Association, a Colorado nonprofit corporation, whose address is do Genesee Communities V, Inc., 603 Park Point Drive, Suite 201, Golden, Colorado 80401, and its successors.

2.6 Board of Directors or Board. The Board of Directors of the Association.

2.7 Bylaws. The Bylaws of the Association, as amended from time to time.

2.8 Castle Pines North Association. The master association created under the Castle Pines North Declaration.

2.9 Castle Pines North Declaration. The Master Declaration of Covenants, Conditions, Restrictions and Easements for Castle Pines North Recorded on October 22, 1984 in Book 544, at Page 588, as subsequently amended, modified or supplemented.

2.10 Common Allocation. With respect to each Unit, a percentage derived from a fraction, the numerator of which is the Voting Units attributable to such Unit and the denominator of which is the Total Voting Units. The Common Allocation and Voting Units for each initial Unit is detailed on Exhibit D. In the event that any Unit is subdivided into two or more Units, or two or more Units are combined into fewer Units, pursuant to the provisions of Sections 5.1(f) and 5.2 of this Declaration, the Voting Units of such Units shall be reallocated among the resulting Units, with such-resulting change in the Common Allocation for such Units being deemed to occur automatically without any further action by the Association or Declarant;

provided, however, that the Association and, during the Development Period, Declarant shall have the right to Record a Supplemental Declaration that causes Exhibit D to conform to and accurately detail the actual Common Allocation for each Unit then applicable.

2.11 Common Assessment. An Assessment levied on all Units subject to assessment under Article X to fund the Common Expenses as more particularly described in Section 10.3.

2.12 Common Elements. All real property, easements, possessory interests in property and Improvements within PineRidge owned or to be owned and maintained by the Association pursuant to this Declaration for the benefit, use or enjoyment of the Owners, which shall be designated either General Common Elements or Limited Common Elements, as appropriate. Subject to Sections 5.1(b), 5.1(f) and 5.2, the Common Elements are described on **Exhibit E**. Common Elements described on Exhibit E as Improvements located or to be located on or within public rights-of-way shall, for the purposes of this Declaration, be deemed to be owned by the Association, even if such Improvements are, by operation or requirement of law, actually owned by the County or another public entity.

2.13 Common Expenses. Except for those costs and expenses expressly excluded below, all costs, expenses and financial liabilities incurred by the Association pursuant to this Declaration or the Bylaws, including, without limitation: all costs of operating, managing, maintaining, replacing or restoring the General Common Elements and the Association's personal property; taxes on the General Common Elements to the extent payable by the Association; and general administrative costs incurred by the Association. Common Expenses shall not include Limited Common Elements Expenses or costs or expenses to be funded by or payable through the levying of Specific Assessments.

2.14 Condominium. A portion of the Property, whether improved or unimproved, which may have horizontal boundaries in addition to vertical boundaries, that is designated for separate ownership pursuant to this Declaration and on which at least one Dwelling Unit may be constructed pursuant to this Declaration and the Plat or other applicable zoning. One or more Lots may be subdivided into Condominiums pursuant to Sections 5.1(f) and 5.2. All Condominiums shall be created by and be subject to a Subsidiary Declaration, including a condominium plat or map. Upon creation of one or more Condominiums, each Condominium may, but shall not be required to, be listed on **Exhibit D**. If any Condominium is created but not listed on **Exhibit D**, the Subsidiary Declaration creating such Condominium shall be deemed Supplemental Declaration for the purposes of amending **Exhibit D** to include the Condominiums created thereby.

2.15 County. The County of Douglas, State of Colorado.

2.16 Current Owners. Each of the Owners of fee title to any portion of the Property, except Tract G, at the time this Declaration is recorded, and who have executed this Declaration. With respect to Tract G, Declarant has reserved the right to impose this Declaration upon Tract G pursuant to that certain Reservation and Grant of Easements Recorded prior to this Declaration, and therefore shall constitute the Current Owner of Tract G for the purposes of this Declaration.

2.17 Declarant. Genesee Communities V, Inc., a Colorado corporation, or any successor in interest or assignee who takes title to any portion of the Property or the Additional Lands for the purpose of development and/or sale and who is designated as the Declarant in a Recorded instrument executed by the immediately preceding Declarant.

2.18 Declarant Control Period. The period beginning on the date the Association is formed and ending on the first to occur of (i) sixty (60) days after 75% of the maximum number of Units that may be created pursuant to Section 3.3 have been conveyed to Owners other than Declarant; (ii) two (2) years after the last conveyance of a Unit by Declarant in the ordinary course of business; (iii) two (2) years after any right to add new Units is last exercised by Declarant; or (iv) the date on which Declarant, in its sole discretion, voluntarily terminates the Declarant Control Period pursuant to a Recorded statement of termination; provided, however, that in this last event, Declarant may require that, for the balance of what would have been the Declarant Control Period had Declarant not terminated the same, certain actions of the Association or the Board, as described in a Recorded instrument executed by Declarant, be approved by Declarant before they become effective. During the Declarant Control Period, Declarant shall have the right to appoint and remove the Directors and the officers of the Association to the extent permitted by the Act.

2.19 Declaration. This Master Declaration of Covenants, Conditions and Restrictions for PineRidge, including the Plat, as either or both of them is amended or supplemented from time to time by a Supplemental Declaration or otherwise.

2.20 Developer. Any Owner who purchases one or more Units for the purpose of constructing Improvements for later sale or rental to residential consumers, for further subdivision pursuant to Sections 5.1(f) and 5.2 of this Declaration into two or more Units, and/or development, leasing or resale in the ordinary course of such Owner's business.

2.21 Development Period. The period of time during which Declarant is entitled to exercise Development Rights and Special Declarant Rights. The Development Period shall commence upon the Recording of this Declaration and shall terminate 30 years later unless reinstated or extended by agreement between Declarant and the Association; provided, however, that the exercise of any Special Declarant Rights pursuant to such agreement shall be subject to such terms as the Board may impose in such agreement.

2.22 Development Rights. The rights reserved by Declarant pursuant to Section 5.1.

2.23 Director. A member of the Board of Directors.

2.24 Dwelling Unit. One or more connected rooms constituting a separate, independent housekeeping unit for permanent residential occupancy by a familial group and containing at least one kitchen facility.

2.25 Eligible Holder. A Mortgagee who provides a written request for notices to the Association, stating the name and address of such Mortgagee and the street address, or, if not available, other sufficient identification, of the Unit to which its Mortgage relates. The Fair Housing Administration and the Department of Veterans Affairs shall be considered Eligible

Holders regarding any Units for which they are insuring or guarantying Mortgages if they satisfy the written request requirements described above in this Section.

2.26 First Mortgage. A Mortgage that is Recorded and has priority of record over all other Recorded liens except those liens made superior by statute (e.g., general ad valorem tax liens and special assessments, mechanics' liens and, to the extent set forth in the Act, the Association's liens for Assessments).

2.27 General Common Elements. Common Elements that are for the benefit, use or enjoyment of all of the Owners, subject to the terms and conditions of this Declaration. Subject to Sections 5.1(b), 5.1(f) and 5.2, the General Common Elements are described on Exhibit E. Additional General Common Elements may be created by Declarant pursuant to Article V.

2.28 Improvements. All structures, improvements and appurtenances on or to real property of every type and kind including, without limitation, buildings, outbuildings, fixtures, utilities, patios, tennis courts, swimming pools, garages, doghouses, mailboxes, aerials, antennas, facilities associated with regular or cable or satellite television, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, grading, drainage facilities, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning units, water softener fixtures or equipment, pumps, wells, tanks, solar collectors, reservoirs, pipes, lines, meters, towers and other facilities used in connection with water, sewer, gas, electricity, solar energy, telephone or other utilities, as well as those construction activities necessary to build such items.

2.29 Limited Assessment. An Assessment levied in accordance with Section 10.4 to fund the Limited Common Elements Expenses.

2.30 Limited Common Elements. Common Elements that are for the benefit, use or enjoyment of less than all of the Owners, subject to the terms and conditions of this Declaration. Subject to Sections 5.1(b), 5.1(f) and 5.2, the Limited Common Elements and the specific Units to which they are allocated are described on **Exhibit E**. The allocation of any Limited Common Elements among particular Units may be altered or reallocated pursuant to Section 208 of the Act, provided such reallocation receives the prior written approval of the Board and, during the Development Period, Declarant. Additional Limited Common Elements may be created by Declarant pursuant to Article V.

2.31 Limited Common Elements Expenses. All costs, expenses and financial liabilities incurred by the Association in operating, maintaining, managing, repairing, restoring, replacing, and, to the extent payable by the Association, paying taxes on, the Limited Common Elements.

2.32 Lot. A physical portion of the Property, whether improved or unimproved, having only vertical boundaries, which is not a Condominium, that is designated for separate ownership pursuant to this Declaration and on which at least one Dwelling Unit may be constructed pursuant to this Declaration and the Plat or other applicable zoning. Subject to Sections 5.1(b), 5.1(f) and 5.2, the Lots are legally described and identified on the Plat and are listed on **Exhibit D**. A Lot which is subdivided into Condominiums shall cease to constitute an

independent Unit under this Declaration at such time as all of the Lot is submitted to the Subsidiary Declaration creating such Condominiums.

2.33 Member. A Person who is a member of the Association pursuant to Section 9.1.

2.34 Mortgage. An unpaid or outstanding mortgage, deed of trust, deed to secure debt or any other form of security instrument encumbering the Property or a portion thereof.

2.35 Mortgagee. A beneficiary or holder of a Mortgage.

2.36 Open Space Declaration. That certain Declaration of Restrictive Covenants executed by Declarant and Recorded subsequent to this Declaration, relating to the Open Space Tract.

2.37 Open Space Management Agreement. That certain Small Acreage Brief Forest Stewardship/Wildfire Management Plan developed by the Colorado State Forest Service, as may be amended from time to time by the mutual agreement of the Colorado State Forest Service and the Association, relating to the Open Space Tract.

2.38 Open Space Tract. That Tract identified on the Flat as Tracts A.

2.39 Owner. A Person or Persons, including Declarant, a Current Owner or a Developer, owning fee simple title of record to any Unit from time to time. The term "Owner" shall include a seller under an executory contract for sale and exclude a buyer thereunder and shall include a landlord under a lease affecting a Unit and exclude a tenant thereunder.

2.40 Permittee. A Person, other than an Owner, who is a tenant or occupant of a Unit or a Person who is an agent, employee, customer, contractor, licensee, guest or invitee of an Owner or of such tenant or occupant.

2.41 Person. A natural person, corporation, partnership, limited liability company, trustee or other legal entity.

2.42 Plat. The plat of Castle Pines North Filing No. 28, Recorded on March 24 , 2000, as Reception No. 00019623 , as such plat is amended or supplemented from time to time pursuant to this Declaration and/or the Act. Without limiting any other provision of this Declaration, the Plat may be supplemented or amended by a subdivision or resubdivision plat or a condominium map that is filed pursuant to the County's subdivision regulations, references the Flat as originally recorded and otherwise satisfies the requirements of the Act. The Recorded Plat may include certain real property and lots not included in the Property subject to this Declaration, and such additional real property and lots may or may not be included in the Additional Lands. The term "Plat" shall also include any subdivision plat or condominium map of all or any portion of the Additional Lands which is annexed into PineRidge from time to time.

2.43 Private Drives. Those Tracts identified on the Plat as "Private Drives," including Tracts E and H.

2.44 Property. All of the real property described on. Exhibit A, the appurtenances thereto, and all Improvements now in place or hereafter constructed thereon, along with any portion of the Additional Lands annexed as part of the Property from time to time in accordance with Article V and all Improvements that are in place thereon as of such annexation or are thereafter constructed thereon. All easements and licenses and other matters of Record affecting the Property known by Declarant are listed on Exhibit B.

2.45 Quorum. With respect to a meeting of the Members or the Board of Directors, that percentage or number of the Members or Directors that constitutes a quorum pursuant to the applicable provisions of the Bylaws.

2.46 Records. The official real property records of the County; the phrases "to Record" and "Recording" mean, respectively, to file or filing for recording in the Records, and the phrases "of Record" and "Recorded" mean having been recorded in the Records.

2.47 Rules. The rules and regulations governing the use of the Property which are adopted from time to time by the Association or the Board. The Rules shall be binding upon all Owners and their Permittees.

2.48 SIA. A subdivision improvement, development or similar agreement entered into by Declarant and the County relating to the Property or any portion thereof.

2.49 Special Assessment. An Assessment levied in accordance with Section 10.5.

2.50 Special Declarant Rights. The rights of Declarant set forth in Article VII.

2.51 Specific Assessment. An Assessment levied in accordance with Section 10.6.

2.52 Subsidiary Association. A "unit owners' association" as defined in the Act created pursuant to a Subsidiary Declaration.

2.53 Subsidiary Declaration. A Recorded declaration of covenants, conditions and restrictions which provides a general scheme for the development of a specific portion of the Property and is a "declaration" pursuant to the Act.

2.54 Supplemental Declaration. An amendment to this Declaration filed in the Records pursuant to this Declaration.

2.55 Taking. A taking by eminent domain or conveyance in lieu thereof.

2.56 Total Voting Units. Subject to Section 10.11, the sum of all the Voting Units attributed to all of the Units.

2.57 Unit. A portion of the Property, whether improved or unimproved, that is designated for ..separate ownership pursuant to this Declaration and on which at least one Dwelling Unit may be constructed pursuant to this Declaration and the Plat or other applicable zoning. A Unit may be either a Lot or a Condominium. Subject to Sections 5.1(b), 5.1(f) and 5.2, the Units are legally described and identified on the Plat and are listed on Exhibit D.

2.58 Voting Units. The Voting Units allocated to each Unit. The Voting Units allocated to the initial Units are set forth on Exhibit D.

ARTICLE III

CREATION OF THE COMMUNITY

3.1 Creation. Upon the Recording of this Declaration and the Plat, the Property shall be a "planned community" pursuant to the Act (subject to the creation of Condominiums through a Subsidiary Declaration), and the name of the planned community shall be "PineRidge."

3.2 Division of Property. Pursuant to the Act and subject to Sections 5.1(b), 5.1(f) and 5.2, the Property is divided into the Units identified and legally described on the Plat. The Units are designated for separate ownership.

3.3 Number of Units. The maximum number of Units that may be created in PineRidge is 200.

3.4 Allocations.

(a) **Allocation of Votes.** In all matters submitted to a vote of the Members of the Association, each Unit is allocated a number of votes equal to the Voting Units for such Unit; provided, however, that no vote shall be exercised for any Unit owned by the Association and no vote shall be exercised for any property which is exempt from assessment under Section 10.13.

(b) **Allocation of Common Expenses.** Subject to Section 10.11, each Unit is allocated, and the Owner of the Unit is liable for, a percentage of the Common Expenses equal to such Unit's Common Allocation. All other costs and expenses of the Association are allocated among the Units as otherwise provided in this Declaration.

3.5 Master Declaration. The Property is located within the development known as "Castle Pines North," as created by the Castle Pines North Declaration. The Association shall constitute a Delegate District (as defined in the Castle Pines North Declaration).

ARTICLE IV

USE RESTRICTIONS

4.1 Residential and Business Uses.

(a) **Residential Use.** Except as set forth in this Section 4.1, the Property shall be used only for residential, recreational and related purposes consistent with this Declaration.

(b) **Conduct of Business Activities.** No business or trade, may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activities is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all applicable zoning and other legal requirements; (c) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

(c) **Business or Trade.** The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full- or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

(d) **Exceptions.** Notwithstanding the above, the leasing of a Unit and the management of such Unit as rental property shall not be considered a business or trade within the meaning of this Section 4.1. This Section 4.1 shall not apply to any activity conducted by Declarant or a Developer approved by Declarant with respect to the development or sale of the Property, or to any activity conducted by Declarant or the Association that relates to the performance of their respective rights or obligations under this Declaration or otherwise benefits the Owners.

4.2 Leasing of Units. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner, for which the Owner receives any consideration or benefit including, without limitation, a rent, fee, service, gratuity or emolument. Any lease must be in writing. The Owner must make available to the lessee copies of this Declaration, the Bylaws and the Rules.

4.3 Subdivision of Unit: Time-Sharing. No Unit shall be subdivided or its boundary lines changed except pursuant to the terms and limitations of Article VIII or the exercise of Development Rights by Declarant. No Unit shall be made subject to any type of time-sharing, fraction-sharing or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years.

4.4 Water and Mineral Operations. No oil or water drilling, oil or water development operations, oil refining, quarrying or mining operations of any kind shall be permitted on the Property except by Declarant or by a party acting under written authorization of Declarant.

4.5 Unsightly or Unkempt Conditions. All portions of a Unit outside of enclosed structures shall be kept in a clean and tidy condition at all times. Nothing shall be done, maintained, stored or kept outside of enclosed structures on a Unit which, in the determination of the Board, causes an unclean, unhealthy or untidy condition to exist or is obnoxious to the senses. Any structures, equipment or other items which may be permitted to be erected or placed on the exterior portions of Units shall be kept in a neat, clean and attractive condition and shall promptly be removed upon request of the Board if, in the judgment of the Board, they have become rusty or dilapidated or have otherwise fallen into disrepair. The pursuit of hobbies or other activities, including, without limitation, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions is prohibited, unless either conducted entirely within an enclosed garage or, if conducted outside, begun and completed within 12 hours, and not done on a regular or frequent basis. No Owner or Permittee shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances in any drainage ditch, stream, pond or lake or elsewhere on the Property, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff and such application complies with applicable law.

4.6 Quiet Enjoyment. Nothing shall be done or maintained on any part of a Unit that emits foul or noxious odors outside the Unit or creates noise or other conditions that tend to disturb the peace, quiet, safety, comfort or serenity of the occupants and invitees of other Units. Illegal activities, and any activities which, in the reasonable determination of the Board, tend to cause embarrassment, discomfort, annoyance or nuisance to persons using the Common Elements or to the occupants and Permittees of other Units, shall be prohibited on the Property.

4.7 Prohibited Conditions. The following conditions', structures and activities are prohibited on the Property unless prior approval in writing is obtained from the Board:

(a) **Air-Conditioning Units.** No window air-conditioning units or evaporative coolers shall be installed;

(b) **Artificial Vegetation, Exterior Sculpture and Similar Items.** NO artificial vegetation or similar items shall be permitted outside of any structure on a Unit, including, without limitation, fountains or clotheslines;

(c) **Signs.** No sign of any kind, including, without limitation, banners or similar items advertising or providing directional information, shall be erected on the Property without the written consent of the Board, except entry and directional signs installed by Declarant and signs erected pursuant to Section 7.3 and except for one (1) sign, not to exceed two (2) feet by three (3) feet in dimensions, which may be used in connection with the sale of the Unit; provided, however, that if permission is granted to any Person to erect a sign on the Property, the Board reserves the right to restrict the size, color, lettering and placement of such sign;

(d) **Utility Lines.** No overhead utility lines, including lines for cable television, shall be permitted, except for temporary lines as required during construction and lines installed by or at the request of Declarant;

(e) **Doors and Windows.** No "burglar bars," steel or wrought iron bars or similar fixtures, whether designed for decorative, security or other purposes, shall be installed on the exterior of any windows or doors of any building.

4.8 Animals and Pets. No animals, livestock, bees or poultry of any kind shall be raised, bred, boarded or kept on any portion of the Property, except that a reasonable number of dogs, cats or other usual and common household pets, which are bona fide household pets, or any combination of the foregoing not exceeding a reasonable aggregate number, may be kept on a Unit, subject to the following provisions and in accordance with applicable law. Any pet which is permitted to roam free, or which, in the sole discretion of the Association, makes objectionable noise or endangers the health of or constitutes a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Property, shall be removed upon request of the Board. If the Owner responsible for such pet fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. All pets shall be kept under the control of their Owner at all times, whether on or off such Owner's Unit. Dogs shall be permitted off-leash on Units only within portions of the Unit which are enclosed by traditional or buried electric pet control fences. Any dog that is outside the Unit on which it resides or is in a portion of such Unit which is not enclosed by a traditional or buried electric pet control fence shall be confined on a leash held by a responsible person. Any Owner or Permittee who walks his or her dog on portions of the Property other than the Unit occupied by such Person shall immediately remove any excrement deposited by the dog on such other portions of the Property. The Board shall have the authority to restrict or prohibit the keeping of breeds of dogs with a known history of dangerous or vicious behavior. All such animals shall be licensed according to County Ordinance requirements and shall be registered with the Association. Failure to register any such animal shall automatically subject the Owner to a monetary fine in an amount to be determined by the Board.

4.9 Parking and Prohibited Vehicles.

(a) **Parking.** Vehicles shall only be parked only in the garages, in the driveways, if any, serving the Units or in appropriate spaces or areas on the Private Drives, if any, designated by the Board. Vehicles shall be subject to such reasonable rules and regulations as the Board may adopt. Declarant and/or the Association may designate certain parking areas on the Private Drives for visitors or guests and may adopt reasonable rules governing the use of such areas. The foregoing notwithstanding, all parking on the Private Drives shall be prohibited in areas posted as such, which shall include PineRidge Terrace, PineRidge Way and PineRidge Court. The Association shall have the authority to monitor and enforce such parking restrictions.

(b) **Prohibited Vehicles.** Except as otherwise set forth in the Rules, commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or specific areas, if any, designated by the Board. Stored vehicles and vehicles which are inoperable or do not have current operating

licenses shall not be permitted on the Property except within enclosed garages. For purposes of this Section 4.9 a vehicle shall be considered "stored" if it is up on blocks or covered with a tarpaulin and remains on blocks or so covered for seven consecutive days without the prior approval of the Board. Service, construction and delivery vehicles may be parked on the Property for such periods of time as are reasonably necessary to provide services or to make deliveries to the Property. Any vehicle parked in violation of this Section 4.9 or parking rules promulgated by the Board may be towed at the direction of the Association and at the expense of the Owner of the affected Unit or the owner of the vehicle.

4.10 Bodies of Water. All wetlands, lakes, ponds and streams on the Property, if any, shall be aesthetic amenities only, and no other use thereof, including, without limitation, fishing, swimming, boating, playing or use of personal flotation devices, shall be permitted without the prior approval of the Board. The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of any lakes, ponds or streams on the Property.

4.11 Landscaping. All landscaping shall be maintained in good condition.

4.12 Irrigation. Except as approved and provided by the Association, no sprinkler or irrigation system of any type which draws upon water from creeks, streams, rivers, ponds, wetlands, canals, ditches or other ground or surface waters on the Property shall be installed, constructed or operated on the Property. However, Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Common Elements and other purposes consistent with their respective rights and obligations under this Declaration. Except as approved and provided by the Association, all sprinkler and irrigation systems serving the Units shall draw upon public water supplies only. Private irrigation wells are prohibited on the Units.

4.13 Grading Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers or storm drains. Septic tanks and drain fields, other than those installed by or with the consent of Declarant, are prohibited on the Property.

4.14 Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

4.15 Tents Mobile Homes and Temporary Structures. Except as provided below, no tent, shack, mobile home or other structure of a temporary nature shall be placed upon a Unit or any part of the Property. This prohibition shall not apply to restrict the construction or installation of temporary construction sales trailers or similar temporary structures used in connection with development and sale of the Property.

4.16 Firearms. The discharge of firearms on the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size.

4.17 Roads. No motor vehicles may be driven, parked or operated upon any portion of the Property except for the Private Drives and roads which have been platted on a subdivision plan or plat which is of Record, in garages or on driveways; provided that Declarant, the Association and any Developer shall be permitted to operate motor vehicles on the Property in connection with their respective activities under this Declaration.

4.18 Laws and Ordinances. Every Owner and Permittee shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Property. Any violation may be considered a violation of this Declaration. However, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

4.19 Occupants Bound. All provisions of this Declaration, the Bylaws and the Rules shall also apply to all occupants of any Unit and to Permittees of any Owner or occupant. Every Owner shall cause all occupants of its Unit and its Permittees to comply with this Declaration, the Bylaws and the Rules.

ARTICLE V

DEVELOPMENT OF THE PROPERTY

5.1 Development Rights. Declarant hereby reserves the following Development Rights for the duration of the Development Period:

(a) **Withdrawal of Property.** To the extent permitted by the Act, Declarant reserves the right to amend this Declaration to withdraw all or any portion of the Property from the coverage of this Declaration whether such Property was originally described on Exhibit A or added by a Supplemental Declaration. For this purpose each portion of or tract within the Property having its own discrete legal description at the time of its inclusion within the Property, whether as a separate subdivision lot or plot or by its own metes and bounds description, shall constitute a severable portion of the Property that may be withdrawn independently of all other portions of the Property, and upon withdrawal shall become part of the Additional Lands. Upon such a withdrawal, the Common Allocation for each remaining Unit shall be subject to recalculation pursuant to the formula in Section 2.10, and the amendment to this Declaration effecting the withdrawal shall reflect such recalculation. Any amendment shall not require the consent of any Person other than the owner of the portion of the Property to be withdrawn, if other than Declarant. If the portion of the Property to be withdrawn includes any of the Common Elements, the Association shall consent to such withdrawal upon the request of Declarant.

(b) **Annexation of the Additional Lands.** Declarant reserves the unilateral right, but not the obligation, to annex from time to time all or any portion of the Additional Lands into PineRidge, causing them to be made part of the Property and subject to the provisions of this Declaration; provided, however, that such right of annexation shall apply only to those portions of the Additional Lands owned in fee simple by Declarant at the time of

annexation or for which the owner has consented to such annexation. With respect to any portion of the Additional Lands annexed into PineRidge pursuant to this Section 5.1(b), Declarant reserves the unilateral right to create additional Units, General Common Elements and Limited Common Elements within and from such annexed portion of the Additional Lands as deemed appropriate by Declarant in its complete discretion. Furthermore, to the extent any subsequent Owner is obligated by agreement with Declarant to establish any Common Elements, those Common Elements will be regarded as established by Declarant for purposes of the foregoing, and the Association shall accept the conveyance of those Common Elements from the Owner as if the conveyance were made by the Declarant (provided the conveyance conforms with the Owner's agreement with Declarant). If Declarant annexes any portion of the Additional Lands not owned by Declarant at the request and with the consent of the owner of such portion of the Additional Lands, then as a condition to such annexation Declarant shall have the right to require that any mortgage or deed of trust lien or other lien of any nature encumbering the Additional Lands being annexed, whether of a voluntary or involuntary nature (excluding the lien for real property taxes not due and payable), be subordinated of record to the provisions of this Declaration (including, without limitation, the rights of Declarant and the Association hereunder), which subordination shall be in a form acceptable to Declarant.

(c) **Annexation of Other Property.** Declarant reserves the right, but not the obligation, to annex additional property other than the Additional Lands to the extent allowed by the Act.

(d) **Designation for Public Purposes.** Declarant reserves the right to designate or dedicate sites within the Property for public or quasi-public facilities as provided in Section 5.3.

(e) **Creation and Conversion of Common Elements.** Declarant reserves the right to establish, create and convert General Common Elements and Limited Common Elements as provided in Section 5.4.

(f) **Subdivision and Replatting.** Declarant reserves the unilateral right to subdivide into additional Units, change the boundary line of or replat any Units or other portions of the Property owned by Declarant. Without limiting the foregoing, Declarant may subdivide one or more Lots into Condominiums through a Subsidiary Declaration. In the event that any Unit is subdivided into two or more Units, or two or more Units are combined into fewer Units, pursuant to the provisions of this Section 5.1(f) and Section 5.2 of this Declaration, the Voting Units of such Units shall be reallocated among the resulting Units, with such resulting change in the Common Allocation for such Units being deemed to occur automatically without any further action by the Association or Declarant; provided, however, if such a subdivision occurs in connection with submitting a portion of a Lot to a Subsidiary Declaration creating Condominiums, each Condominium will be allocated one (1) Voting Unit, with the corresponding share of the Common Allocation of the Lot, and the remaining Voting Units and Common Allocation shall remain allocated to the Lot, except that at such time as the entire Lot has been subjected to the Subsidiary Declaration creating Condominiums, any Voting Units, and corresponding Common Allocation, not allocated to a Condominium pursuant to this sentence shall automatically cease to be allocated to the Lot.

5.2 Exercise of Development Rights. Declarant shall exercise any Development Right by preparing, executing and Recording a Supplemental Declaration amending the Declaration as necessary to effectuate the exercise of such Development Right, which Supplemental Declaration shall be accompanied by any amendment or supplement to the Plat required by the Act. If the exercise of any Development Right by Declarant results in the creation of additional Units or a reduction in the number of Units, then the Supplemental Declaration effectuating the exercise of such Development Right shall include a revised **Exhibit D** conforming to and accurately detailing the new Common Allocation for each Unit pursuant to the formula prescribed in this Section 2.10. If Declarant, by exercising any Development Right, creates any new Common Elements, then the Supplemental Declaration shall describe such newly created Common Elements and, in the case of newly created Limited Common Elements, designate the Unit or Units to which such Limited Common Elements are allocated. Except as expressly provided to the contrary in this Declaration, Declarant's exercise of any Development Right shall not require the consent of any other Owner. The requirements set forth in this Section may be satisfied by the Recording of a Subsidiary Declaration, or an amendment or supplement thereto, containing the information required under this Section 5.2.

5.3 Governmental Interests. For so long as Declarant owns any of the Property or the Additional Lands, Declarant may designate and dedicate sites within the Property for fire, police and utility facilities, public schools and parks, and other public or quasi-public facilities. Such a site may include Common Elements, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance or dedication of the site (subject to Section 14.3), if so directed by Declarant. Such a site may also include other property not owned by Declarant provided the owner of such property consents. Subject to Declarant's consent during the Development Period, but otherwise within the discretion of the Board, the Association may dedicate portions of the Common Elements to the County or to any other local, state or federal governmental or quasi-governmental entity, subject to such approval as may be required by Section 14.3.

5.4 Common Elements Mechanics Liens.

(a) **Generally.** The initial General Common Elements and the initial Limited Common Elements are described on **Exhibit E**. Declarant shall be responsible for completing the construction of any Improvements that Declarant determines will be located on or that will constitute such Common Elements, including, without limitation, landscaping, monuments, signage, recreation facilities, drainage facilities, sidewalks, fences, walls and plantings; provided, however, that Declarant may prescribe and transfer and any Developer may assume responsibility for completing the construction of any portion of the Common Elements in connection with the sale of any Unit or Units to such Developer. To the extent any Developer so assumes such construction obligations, or otherwise assumes or undertakes for Declarant to complete any infrastructure or other Improvements on the Property, any Additional Lands, or any public rights-of-way or public areas related thereto, such Developer shall become solely obligated to discharge such assumed responsibilities at its sole cost and expense, and shall become obligated to complete the applicable Improvements free and clear of any claims for mechanics' liens. If any such lien claims arise and are Recorded against any portion of the Property or the Additional Lands (other than property owned by the assuming Developer), the assuming Developer shall be obligated to secure a Recorded release and discharge of the claim

within 30 days after the filing thereof, and shall indemnify the Declarant and the Association against any liability, loss, costs or expenses, including attorneys' fees, that either of them may incur in connection with the lien claim (including any sums that either of them may elect to pay to secure a release of the claim if the Developer fails to secure such release in accordance with the foregoing provisions). The Association at its election may agree to reimburse Declarant for sums incurred by Declarant which are indemnified under the foregoing provisions, in which case the Association's reimbursement obligation will also fall within the indemnity. All such indemnified amounts shall be due and payable within 30, days after demand therefor, and, if owed to the Association, may be levied as Specific Assessments against any Unit owned by such indemnifying Developer pursuant to Section 10.6(c). Declarant may also require that the assuming Developer, at the Developer's expense and prior to commencing construction, post or furnish performance and payment bonds for the assumed or undertaken Improvements in form and content satisfactory to Declarant, as well as notices which are sufficient under Colorado law to preclude any resulting mechanic's lien claim against the Property or Additional Lands (other than property owned by the assuming Developer). Declarant (or a Developer who has taken title to such portions of the Property in connection with agreeing to construct the Improvements thereon) will convey those Common Elements to be owned by the Association (whether in fee simple or as an easement) to the Association by bargain and sale deed upon substantial completion of the Improvements to be located thereon (except that any conveying Developer shall furnish any warranties of title required pursuant to any agreement with Declarant). Common Elements that comprise Improvements located on or within public rights-of-way shall automatically become, to the extent provided in Section 2.12, the property of the Association upon Declarant's substantial completion of such Improvements.

(b) **Conversions.** For the duration of the Development Period, Declarant reserves the unilateral right to convert any Unit or other portion of the Property owned by Declarant into General Common Elements or Limited Common Elements, so long as the pertinent Unit or portion of the Property is owned by Declarant or by an Owner who has agreed to the conversion with Declarant. In addition, for the duration of the Development Period, Declarant reserves the unilateral right to convert any General Common Elements described on **Exhibit E** into Limited Common Elements and to allocate such Limited Common Elements among particular Units as Declarant, in its discretion, deems appropriate.

(c) **Association's Obligation.** The Association shall accept any grant, conveyance or dedication to it of any Common Elements made pursuant to this Declaration, whether by Declarant or by a Developer pursuant to an agreement with Declarant.

5.5 Plat Amendments. Declarant reserves the right to amend the Plat as it applies specifically to any Unit or other portion of the Property or the Additional Lands owned by Declarant, or owned by another Owner with such Owner's consent. By taking title, each Owner of any Unit covenants and agrees to furnish cooperation (including any consent or joinder as required by the County) in connection with and not object to such proposed amendment so long as the amendment is sought in a manner that complies with the procedures prescribed in the County's zoning ordinance. No Owner required to cooperate with a proposed amendment to the Plat pursuant to this Section shall be required to incur any costs or expenses in connection with such cooperation.

5.6 Development Credits. In the event that the Property and Additional Lands are subject to an SIA, and under the provisions of such SIA, the Property and Additional Lands are allocated certain credits for public dedications and infrastructure development related to the Property and Additional Lands or the ownership thereof, all such credits, and any similar economic benefits inuring in favor of the Property or Additional Lands or any portion thereof (or the Person owning the same), whether arising under the SIA or otherwise, shall remain vested in and are hereby reserved to and shall be retained by Declarant. Any assumption or undertaking of any obligations arising under the SIA by any transferee or other Owner of any portion of the Property or Additional Lands shall not be construed to confer any of such credits or benefits upon that transferee or Owner. Declarant further reserves and retains for itself all contractual and other allocations of and rights to water and sewer taps which are attributable to the Property or Additional Lands, whether now existing or hereafter arising.

5.7 Succession to Declarant's Interests. The rights and interests reserved to or otherwise allocated in favor of Declarant under this Declaration may be assigned or transferred by Declarant, at its election and in whole or in part, to another Owner or other transferee, but only by an instrument expressly effectuating such assignment or transfer. Each transferee of any portion of the Property, by such transferee's acceptance of the transfer or conveyance of Record, and any third party transferee or owner of any portion of the Additional Lands, by its joinder in a Supplemental Declaration (or any related consent or similar documentation) by which the pertinent Additional Lands are annexed within the Property, shall be bound by and subject to all such rights and interests in favor of the Declarant hereunder, and the foregoing provisions governing the transfer of those rights and interests. Each such transferee and each Owner, and their successors in interest, shall be bound to execute and deliver such documents as Declarant may require from time to time in order to verify and confirm the rights and interests of Declarant hereunder.

ARTICLE VI

EASEMENTS

6.1 Easement for Use Access and Enjoyment in and to General Common Elements. Declarant and the Current Owners, as their interests may appear, hereby establish and grant to each Owner a nonexclusive easement of use, access and enjoyment in and to the General Common Elements. Any Owner may extend its right of use and enjoyment to its Permittees (excluding, however, Permittees whose status as such derives from a commercial relationship) subject to reasonable regulation by the Board. Without limiting the generality of the foregoing, Declarant and the Current Owners, as their interests may appear, hereby establish and grant to each Owner a nonexclusive easement over and across all walkways and other pedestrian access ways and all Private Drives and other roads, streets and rights-of-way designated as General Common Elements for the purpose of gaining pedestrian or vehicular access, as applicable, between (a) the public streets and sidewalks adjoining the Property and (b) any other General Common Elements or such Owner's Unit. The easement granted by this Section shall be appurtenant to and pass with the title to the Units and shall be subject to:

(a) This Declaration and any other applicable covenants, and any other easements, rights-of-way or other title matters Recorded against the Property;

(b) Any restrictions or limitations contained in any deed conveying the General Common Elements to the Association;

(c) The right of the Board to adopt Rules regulating the use and enjoyment of the General Common Elements in a manner consistent with their intended purpose, including rules limiting the number of guests who may use the General Common Elements;

(d) The right of the Board to impose membership requirements and charge admission or other use fees for the use of any recreational facility situated within or on the General Common Elements;

(e) The right of the Board to suspend any Owner's or such Owner's Permittees' right to use and enjoyment of any Common Elements (i) for any period during which any Assessment or charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed 30 days for a single violation (or, in the case of a continuing violation, for the duration of such violation, plus a period not to exceed 30 days) of this Declaration, the Bylaws or the Rules, after providing such notice and hearing as may be required by the Bylaws;

(f) The right of the Board to permit use of any recreational facility situated within or on the General Common Elements by persons other than Owners and their Permittees upon payment of use fees established by the Board, which fees the Board shall include as Association revenue in calculating the amount of Common Assessments necessary to satisfy the common Expenses of the Association;

(g) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the General Common Elements, subject to Section 14.3 and such other approval requirements as may be set forth in this Declaration or the Act; and

(h) The right of the Association, acting through the Board, to mortgage, pledge or hypothecate any or all of the General Common Elements as security for money borrowed or debts incurred, subject to the limitations of the Act and the approval requirements set forth in Section 14.3.

6.2 Certain Easements for the Association. Declarant and the Current Owners, as their interests may appear, hereby establish and grant to the Association a non-exclusive easement over each Unit and other portions of the Property (but excluding in any case the interior of any building improvements that do not constitute Common Elements) for the purpose of: (a) permitting the Association reasonable and necessary access to any of the Common Elements for the purpose of maintaining, repairing, replacing and improving any such Common Elements and the Improvements thereon; and (b) installing, maintaining, repairing, replacing and improving landscaping, fencing, monumentation, signage, sidewalks, irrigation and water distribution systems, and' utilities servicing any Common Elements; provided, however, that in using such easement, the Association shall not unreasonably interfere with any Owner's quiet use and enjoyment of such Owner's Unit.

6.3 Easements for Encroachments. In the event that, as a result of the construction, reconstruction, shifting, settlement, restoration, rehabilitation, alteration or improvement of any Improvement located on a Unit or the Common Elements or any portion

thereof, any portion of any Unit or Common Elements now or hereafter encroaches upon any other Unit or Common Elements, Declarant hereby establishes and grants an easement for the continued existence and maintenance of such encroachment which will continue for so long as such encroachment exists and which will burden the Unit or Common Elements encroached upon and benefit the encroaching Unit or Common Elements. In no event, however, will an easement for any such encroachment be deemed established or granted if such encroachment is materially detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Unit(s) burdened by such encroachment or if such encroachment occurred due to willful and knowing misconduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

6.4 Easements Benefiting Declarant. Declarant hereby reserves such easements over and across the Common Elements, which easements will exist for the duration of the Development Period, as may be reasonably necessary for Declarant's exercise of any Special Declarant Right, performance of any of Declarant's obligations hereunder, and the showing of the Property to prospective purchasers. In addition, and without limiting the easements reserved in the preceding sentence, Declarant reserves an easement over the Property for the purpose of Declarant's use and enjoyment of any water or water rights appurtenant to or associated with the Property (including, without limitation, all adjudicated, non-adjudicated, decreed, non-decreed, tributary, non-tributary and not non-tributary water rights, ditch rights and well permits) owned by Declarant.

6.5 Easements for Utilities. Declarant reserves for itself and its successors, assigns and designees, (including, without limitation and if so designated, the Association and its successors, assigns and designees), perpetual non-exclusive easements upon, across, over and under all of the Property (but not through any structures) to the extent reasonably necessary for the purposes of monitoring, replacing, repairing, maintaining and operating cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals, and all utilities, including, without limitation, water, sewer, telephone, gas and electricity, and for installing any of the foregoing on property which Declarant or the Association owns or within easements designated for such purposes on the Plat. This reserved right must be exercised, and any specific easements established pursuant thereto, no later than the expiration of the Development Period. The designees of Declarant and the Association may include, without limitation, any governmental or quasi-governmental entity and utility company. Declarant specifically grants to the local water supplier, cable television provider, telephone company, sanitary and/or storm sewer district or company, electric company, natural gas supplier and other utility providers easements across the Property for ingress, egress, installation, reading, replacing, repairing and maintaining utility meters and boxes. The easement provided for in this Section shall in no way affect, avoid, extinguish or modify any other Recorded easement on the Property. Any damage to a Unit resulting from the exercise of the easements described in this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of such easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit.

6.6 Right of Entry. Declarant and the Current Owners, as their interests may appear, reserve for the Association and other Persons described below an easement for the right, but not the obligation, to enter upon any Unit: (i) for emergency, security and safety reasons;

and (ii) to inspect any Unit for the purpose of ensuring compliance with this Declaration, the Bylaws and the Rules. Such right may be exercised by any member of the Board and the Association's officers, agents, employees and managers, and, for emergency, security and safety purposes, all police, fire and ambulance personnel and other similar emergency personnel in the performance of their duties. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure such condition within a reasonable time after requested by the Board, but shall not authorize entry into any Dwelling Unit without permission of the occupant, except by emergency personnel acting in their official capacities.

6.7 Easements for Water Use and Development and Flood Control. Declarant reserves for itself and its successors, assigns and designees, for the duration of the Development Period, and Declarant hereby establishes and grants to the Association in perpetuity, as Limited Common Elements, the nonexclusive right and easement, but not the obligation, to enter upon any lakes, reservoirs, ponds, streams, drainage ditches, irrigation ditches and wetlands located within the Common Elements: (a) to provide water for the irrigation of any of the Common Elements and/or Units; (b) to alter drainage and water flow; (c) to construct, maintain, operate and repair any bulkhead, wall, dam or other structure retaining water; (d) to develop, maintain, rehabilitate, restore, repair and protect wetlands, shorelines, beaches, waterways and other lakefront and reservoir-front areas; and (e) to remove trash and other debris therefrom. Such easement shall include an access easement over and across the Property, to the extent reasonably necessary to exercise rights granted under this Section, and in order to maintain and landscape the slopes and banks pertaining to such lakes, reservoirs, ponds, streams, drainage ditches and wetlands. To the extent the exercise of such easement is anticipated to materially diminish the value of or unreasonably interfere with the use of any Unit, the consent of the Owner of such Unit shall be required before such exercise. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural occurrences.

6.8 Additional Easements.

(a) **Declarant's Right to Grant Easements Additional Lands.** Declarant hereby reserves the non-exclusive right and power to grant, during the Development Period, such additional specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any of the Property or the Additional Lands. In addition, during the Development Period, Declarant may unilaterally subject any portion of the Additional Lands that is made subject to this Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating the Owners to pay the costs incurred by the Association through Common Assessments. Such covenants and easements pertaining to the Additional Lands shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of such property and shall require the written consent of the owner(s) of such property, if other than Declarant.

(b) **Association's Right to Grant Easements.** Notwithstanding anything to the contrary in Sections 12.3, 14.3 or other Sections of this Declaration, the Association, acting through the Board and without the approval of the members of the Association, may grant easements over the Common Elements for installation and maintenance

of utilities, drainage facilities and roads and for other purposes not inconsistent with the intended use of the Common Elements.

6.9 Easements Run with Land. Except as otherwise provided in this Article VI, all easements established and granted pursuant to this Article VI are appurtenant to and run with the Property and will be perpetually in full force and effect so long as this Declaration is in force and will inure to the benefit of and be binding upon Declarant, the Association, Owners, Permittees and any other Persons having any interest in the Property or any part thereof. The Units and the Common Elements will be conveyed and encumbered subject to all easements set forth in this Article VI, whether or not specifically mentioned in such conveyance or encumbrance.

ARTICLE VII

SPECIAL DECLARANT RIGHTS

7.1 Special Declarant Rights. In addition to and without limiting any other right reserved by or for the benefit of Declarant in this Declaration or by operation of the Act (all of which shall also be Special Declarant Rights), Declarant reserves the following Special Declarant Rights, which, except as expressly provided below, may be exercised by Declarant for the duration of the Development Period, with no limitations on the extent to, or the order in which, such rights are exercised:

- (a) To complete any Common Elements Improvements described on or in the Plat or this Declaration (and to transfer the right and obligation to complete any such Improvements to any Developer);
- (b) To exercise any of the Development Rights;
- (c) To maintain sales, construction and management offices and advertising signs on the Property and/or the Additional Lands, as set forth in Section 7.3;
- (d) To merge or consolidate the Association with another common interest community of the same form of ownership; and
- (e) To appoint and remove the Directors and the officers, of the Association during the Declarant Control Period to the extent permitted by the Act.

7.2 Transfer of Special Declarant Rights. Declarant may transfer any or all of the Special Declarant Rights in accordance with Section 304 of the Act.

7.3 Models and Offices. During the Development Period, Declarant and Developers authorized by Declarant may maintain and carry on upon any Unit owned by Declarant (or any other Unit with consent of its Owner) or any portion of the Common Elements such facilities and activities as, in the reasonable opinion of Declarant, may be required, convenient or incidental to the development, construction or sale of Units, including, without limitation, business offices, construction offices, management offices, signs, model units and sales offices. Such facilities may be of a number, size and location which Declarant determines shall adequately accommodate Declarant's or a Developer's development, sale and marketing of

the Units and the Property. Notwithstanding anything in this Declaration to the contrary, each Developer shall have the right to maintain models and sales offices on any Unit owned by such Developer.

7.4 Other Covenants and Subsidiary Declarations. During the Development Period, no Person shall Record any declaration of covenants, conditions and restrictions, declaration of condominium or similar instrument affecting any portion of the Property, including, without limitation, a Subsidiary Declaration, without Declarant's review and written, Recorded consent as to the form and content of such instrument. Any attempted Recording of such an instrument without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by a written consent signed by Declarant and Recorded. Without limiting the foregoing, any Subsidiary Declaration shall: (a) expressly refer to this Declaration by its name and Recording information; (b) provide that each "unit" (as defined in the Act) created by or subject to such Subsidiary Declaration is also subject to the terms and provisions of this Declaration; and (c) provide that the Association established pursuant to this Declaration shall have all the powers set forth for it in this Declaration, the Bylaws and the Act (including, without limitation, the powers identified in Section 302(1)(b) of the Act) and shall be permitted to exercise those powers with respect to the portion of the Property subject to such Subsidiary Declaration. Notwithstanding the preceding sentence, a Subsidiary Association may have and exercise all powers permitted under the Act, subject to this Declaration.

7.5 Condominium Subsidiary Associations as Owner. In the event one or more Lots are subdivided into Condominiums pursuant to a Subsidiary Declaration, the Subsidiary Association formed in connection therewith shall be deemed an Owner of such Lot or Lots: (a) for the purpose of enforcing the provisions of this Declaration contained in Article IV and Section 9.5 with respect to any portions of such Lot or Lots which are common elements under such Subsidiary Declaration or which are otherwise under the control of the Subsidiary Association under the Subsidiary Declaration, without limiting the rights created under this Declaration to enforce such provisions against individual Owners of the Condominiums with respect to their individual Units or their individual acts or omissions; (b) for the purpose of enforcing the provisions of this Declaration granted to Owners in Section 15.6; and (c) for the purpose of enforcing the provisions of this Declaration contained in Article X with respect to the Units created by, and the Lot or Lots created by, the Subsidiary Declaration, if the right and obligation to collect and pay Assessments for such Units and/or Lot or Lots is delegated to the Subsidiary Association by the Association, without limiting the rights created under this Declaration to enforce such provisions against individual Owners of the Condominiums with respect to the Assessments relating to their individual Units or their individual acts or omissions.

7.6 Delegation to Subsidiary Associations. Without limiting any of the Association's other rights of delegation, in the event one or more Lots are subjected to a Subsidiary Declaration, the Association may delegate, exclusively or non-exclusively, any powers, rights or obligations contained in Article IV, Section 9.3, Section 9.5, Section 10.7 and Section 10.9 to such Subsidiary Association with respect to the Lot or Lots subject to such Subsidiary Declaration, to the extent permitted by the Act.

ARTICLE

VIII BOUNDARY RELOCATION AND SUBDIVISION OF UNITS

8.1 Relocation or Removal of Boundaries Between Adjoining Units.

(a) **Requirements.** The boundaries between adjoining Units may be relocated or removed by a Supplemental Declaration upon application to the Association by the Owners of such Units (or the Owner, in the case of a removal) pursuant to this Section. In order to relocate or remove the boundaries between adjoining Units, the Owners of those Units, as the applicant, must submit an application to the Board, which application shall be executed by those Owners and shall include:

(i) Evidence demonstrating to the Board that the applicant has complied, and that the proposed boundary relocation or removal will comply, with all applicable rules, regulations and ordinances of the County and that the proposed boundary relocation or removal will not violate the terms of any Mortgage;

(ii) The proposed reallocation of Common Allocations and Voting Units among the Units, if applicable;

(iii) The proposed form of Supplemental Declaration, including amendments to the Plat, as may be necessary to show the altered boundaries between adjoining Units; and their dimensions and identifying numbers, and any other information required pursuant to the Act;

(iv) A deposit against attorneys fees and other costs that the Association will incur in reviewing and effectuating the application, in an amount reasonably estimated by the Board; and

(v) Such other information as may be reasonably requested by the Board.

(b) **Approval of Relocation or Removal.** The Board shall approve any application for relocation of boundaries between adjoining Units properly made under this Section if: (i) the application satisfies the requirements of Section 8.1(a); (ii) the proposed relocation or removal of boundaries in fact will comply with all applicable rules, regulations and ordinances of the County and will not violate the terms of any Mortgage; and (iii) the form of Supplemental Declaration submitted by the applicant is sufficient to effectuate the proposed relocation or removal of boundaries in compliance with the terms of this Declaration and the Act. During the Development Period any proposed relocation or removal of boundaries between adjoining Units shall also require the written consent of Declarant, which consent shall not be withheld so long as the proposed relocation or removal satisfies the requirements of clauses (i), (ii) and (iii) of this Section 8.1(b).

(c) **Execution and Recording.** No relocation or removal of boundaries between adjoining Units shall become effective until a Supplemental Declaration and, if necessary, an amendment to the Plat meeting the requirements of the Act have been executed and Recorded pursuant to Sections 217(3) and (5) of the Act.

(d) **Costs.** All costs and attorneys fees incurred by the Association as a result of an application for relocation or removal of boundaries between adjoining Units shall be the sole obligation of the Owner or Owners requesting such relocation and may be assessed against the Unit(s) of such Owner or Owners as a Specific Assessment.

8.2 Subdivision of Units. Except as provided in Section 5.1(f), no Unit may be subdivided into two or more Units.

8.3 No Limitation of Development Rights. Nothing in this Article VIII is intended or shall be deemed to limit Declarant's rights under Section 5.1(f) or Section 5.2.

ARTICLE IX

THE ASSOCIATION

9.1 Formation Membership. The Association will be formed no later than the date the first Unit is conveyed to an Owner other than Declarant. Every Owner, including Declarant, shall be a Member of the Association. When an Owner consists of more than one Person, all such Persons will, collectively, constitute one Member of the Association and all such Persons shall be jointly and severally obligated to perform the responsibilities of Owner. Following a termination of this Declaration, the Association will consist of all Owners entitled to share in the distribution of proceeds of a sale of the Property. Membership in the Association will automatically terminate when a Person ceases to be an Owner, whether through sale, intestate succession, testamentary disposition, foreclosure or otherwise. The Association will recognize a new Owner as a Member upon presentation of satisfactory evidence of the sale, transfer, succession, disposition, foreclosure or other transfer of a Unit to such Owner. Membership in the Association may not be transferred, pledged or alienated in any way, except to a new Owner upon conveyance of a Unit. Any attempted prohibited transfer of a membership in the Association will be void and will not be recognized by the Association.

9.2 Board of Directors. The affairs of the Association shall be governed by the Board of Directors, which may, by resolution, delegate any portion of its authority to an executive committee or an officer, managing agent or Director of the Association. Except as otherwise specifically provided by law or in this Declaration, the Articles or the Bylaws, the Board may exercise all rights and powers of the Association (including, without limitation, those powers itemized in Section 9.3) without a vote of the Members. Subject to the provisions of this Section and Section 7.1(e), the qualifications and number of Directors, the term of office of Directors, the manner in which Directors shall be appointed or elected and the manner in which Directors shall be replaced upon removal or resignation shall be as set forth in the Bylaws. In the performance of their duties, the Directors will act according to their ordinary business judgment, except to the extent the Act requires a greater standard of care.

9.3 Association Powers. Subject to the rights, powers and authority reserved by and conferred upon Declarant pursuant to this Declaration or the Act, the Association will serve as the governing body of PineRidge and shall have the powers and duties set forth in this Declaration and the Bylaws. The Association may:

- (a) adopt and amend the Bylaws, and make and enforce the Rules, consistent with the rights, duties, terms and conditions established by this Declaration and the Bylaws;
- (b) subject to Section 10.1(d), adopt and amend budgets for revenues, expenditures and reserves and assess and collect any Assessments and any other amounts due from Owners or others to the Association;
- (c) hire and terminate managing agents and other employees, agents and independent contractors;
- (d) exercise any of the enforcement powers set forth in Section 9.5 or elsewhere in this Declaration;
- (e) institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Property;
- (f) make contracts and incur liabilities in accordance with the properly adopted and ratified budget;
- (g) borrow funds to cover Association expenditures and pledge Association assets as security therefor, provided that Common Elements may be subjected to a security interest only pursuant to Section 14.3;
- (h) regulate the use, maintenance, repair, replacement and modification of the Common Elements, including the Private Drives, in accordance with the properly adopted and ratified budget or otherwise in accordance with this Declaration;
- (i) cause additional improvements to be made as a part of the Common Elements in accordance with the properly ratified budget, or otherwise in accordance with this Declaration;
- (j) acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property (including, without limitation, one or more Units), provided that Common Elements may be conveyed or encumbered only pursuant to Section 14.3;
- (k) grant easements, leases, licenses, and concessions through or over the Common Elements;
- (l) impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements and for any services provided to Owners;
- (m) impose charges and interest for late payment of Assessments, recover reasonable attorneys' fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated, and, after providing notice and an opportunity to be heard, as provided in the Bylaws, levy reasonable fines for violations of this Declaration, the Bylaws or the Rules;

(n) impose reasonable charges for the preparation and recordation of amendments to this Declaration or statements of unpaid Assessments;

(o) provide for the indemnification of its officers and Directors as provided in the Bylaws or the Articles and maintain directors' and officers' liability insurance;

(p) assign its right to future income, including the right to receive Assessments;

(q) exercise any other powers expressly conferred by this Declaration, the Bylaws or the Act or reasonably implied from or necessary to effectuate such powers;

(r) except as prohibited by the Act, exercise all other powers that may be exercised in the State of Colorado by a nonprofit corporation;

(s) exercise all powers delegated to the Association by any Subsidiary Association pursuant to Section 220 of the Act;

(t) delegate any rights or powers to a Subsidiary Association or to the Castle Pines North Association to the extent permitted by the Act; and

(u) exercise any other powers necessary or appropriate for the governance and operation of the Association.

This Declaration may not and is not intended to impose any limitations on the powers of the Association to deal with the Declarant that are more restrictive than the limitations imposed on the power of the Association to deal with any other Person.

9.4 Bylaws. The Association may adopt Bylaws for the regulation and management of the Association, provided that the provisions of the Bylaws will not be inconsistent with the provisions of this Declaration or the Act. The Bylaws may include, without limitation, provisions regarding the voting rights of the Owners, the appointment or election of the Board, and the appointment or election of officers of the Association.

9.5 Enforcement.

(a) **Sanctions and Self-Help.** After notice and an opportunity to be heard as provided in the Bylaws, the Association, acting through the Board or any authorized agent, may: (i) impose sanctions (including, without limitation, reasonable monetary fines) for violations of this Declaration, the Bylaws or the Rules; (ii) exercise self-help to cure any violations of this Declaration, the Bylaws or the Rules that an Owner or Permittee falls or refuses to cure; and (iii) suspend any services it provides to any Owner who is more than 15 days delinquent in paying any Assessment or other charge due to the Association. All of the remedies set forth in this Declaration and the Bylaws shall be cumulative of each other and any other remedies available at law or in equity. If the Association prevails in any action to enforce the provisions of this Declaration, the Bylaws or the Rules, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred by it in such action.

(b) **No Waiver.** In no event shall the Association's failure to enforce any covenant, restriction or rule provided for in this Declaration, the Bylaws or the Rules constitute a waiver of the Association's right to later enforce such provision or any other covenant, restriction or rule.

9.6 Use of Water Rights. The Association may, but shall not be obligated to, develop and use any water or ditch rights owned by the Association for: (i) irrigation and similar uses with respect to General Common Elements; and (ii) irrigation and similar uses with respect to Limited Common Elements, subject to the payment of tap and consumption fees, and such other costs as may be deemed appropriate by the Board, by the Owners of Units to which such Limited Common Elements are allocated, or by the Subsidiary Association, if any, to which maintenance of such Limited Common Elements is delegated, as applicable, all on the terms and conditions determined by the Board from time to time; and (iii) if surplus water is available, for sale to third parties. The Owners or Subsidiary Association, as applicable, which utilize Association water rights pursuant to clause (ii) above shall be responsible for all costs of installing individual meters and irrigation systems located on and/or serving such Limited Common Elements.

ARTICLE X

FINANCIAL MATTERS AND ASSESSMENTS

10.1 Financial Matters. The Board, on behalf of the Association, will discharge the following obligations with respect to financial matters:

(a) **Books and Records.** The Board will cause to be maintained full and complete books and records of the Association's business and operations, including, without limitation, current copies of this Declaration and all amendments hereto, the Bylaws, the Rules, the approved budget for the current fiscal year, financial statements, books and records reflecting all assets, liabilities, capital, income and expenses of the Association, and supporting materials, such as bank statements and invoices, for at least the shorter of (i) the prior seven fiscal years or (ii) all of the fiscal years in which the Association has been in existence. All of such books and records will be made available for inspection by any Owner or Eligible Holder or their respective authorized representatives during normal business hours upon reasonable prior written request.

(b) **Returns.** The Board will cause to be prepared and filed before delinquency any and all tax, corporate or similar returns or reports that the Association is required by law to prepare and file.

(c) **Preparation of Budget.** The Board may, and if levying Assessments shall, cause to be prepared and adopt annually, not less than 45 days prior to the beginning of each fiscal year of the Association, a proposed budget for the Association. The proposed budget will include the estimated revenue and expenses (including, without limitation, Common Expenses and Limited Common Elements Expenses) of the Association for such fiscal year, in reasonable detail as to the various categories of revenue and expense.

(d) **Ratification of Budget.** Within 30 days after adoption by the Board of any proposed budget for the Association, the Board will send by ordinary first-class

mail or otherwise deliver to all Owners a summary of the proposed budget and will set a date for a meeting of the Owners to consider ratification of the proposed budget not less than 14 nor more than 60 days after mailing or other delivery of the summary. Unless at that meeting Owners to whom are allocated a majority of the votes in the Association vote to reject the proposed budget, the proposed budget will be ratified, whether or not a Quorum is present; provided, however, the portions of the proposed budget pertaining to any Limited Common Elements Expenses will be ratified unless Owners holding a majority of the votes allocated to the Units encumbered thereby (i.e., those Units subject to Assessments under Section 10.4 for such Limited Common Elements Expenses) vote to reject such portions of the budget. In the event that the proposed budget or a portion of it pertaining to Limited Common Elements Expenses is rejected, the budget or applicable portion last ratified by the applicable Owners will continue in effect until such time as the necessary Owners ratify a subsequent budget or portion pertaining to such Limited Common Elements Expenses proposed by the Board. For the first fiscal year of the Association, the Board may adopt the Declarant's estimated budget for the Association and assess Common Assessments and Limited Assessments, provided that the Board submits such budget to the Owners for ratification in accordance with the foregoing provisions within 30 days after adopting the same.

(e) **Annual Financial Statements.** With respect to each fiscal year in which the Association levies Assessments, the Board will cause to be prepared annually a report that fairly represents the financial condition of the Association. Such report shall consist of a balance sheet as of the end of the preceding fiscal year, an operating (income) statement for such fiscal year and a statement of changes in the Association's financial position for such fiscal year. A copy of such annual report will be distributed to each Owner within 120 days after the close of the fiscal year.

10.2 Creation of Assessments. There are hereby created assessments for such Association expenses as may be authorized from time to time pursuant to this Declaration. There shall be four types of Assessments: (a) Common Assessments; (b) Limited Assessments; (c) Special Assessments; and (d) Specific Assessments. Each Owner, by accepting a deed for any Unit, is deemed to covenant and agree to pay these Assessments pursuant to the terms and conditions of this Declaration.

10.3 Common Assessments. Subject to Section 10.11, each Unit is subject to Common Assessments for the Unit's share of the Common Expenses as allocated pursuant to Section 3.4(b). Common Assessments will be calculated, paid, adjusted and reconciled in accordance with the following provisions:

(a) **Budget and Payment.** The Association shall set the Common Assessments for each fiscal year at a level which is reasonably expected to produce total income for the Association for such fiscal year equal to the total Common Expenses set forth in the budget adopted by the Board and ratified by the Owners. In determining the total funds to be generated through the levy of Common Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years and any Assessment income expected to be generated from any additional Units reasonably anticipated to become subject to Common Assessments during the fiscal year.

(b) **Reconciliation.** As soon as reasonably possible after the end of each fiscal year the Board will cause the actual Common Expenses incurred by the Association during such fiscal year to be reconciled against the Common Assessments received by the Association from the Owners. To the extent that any Owner has paid more than its Common Allocation of such actual Common Expenses, the Board may either refund the overpayment to the Owner or credit such overpayment against such Owner's obligation for Common Assessments for the next ensuing fiscal year. To the extent any Owner has underpaid its Common Allocation of such actual Common Expenses, the Board may either demand in writing that such Owner pay the amount of such underpayment of Common Assessments to the Association within a specified period of time, as determined by the Board, after the Board notifies such Owner of such underpayment (which period of time may not be less than thirty (30) days), or the Board may include such underpayment in such Owner's obligations for Common Assessments for the next ensuing fiscal year.

(c) **Material Increase.** Notwithstanding any other provision of this Section 10.3 or of Section 10.1(d), after the Board assesses Common Assessments for the Association's first fiscal year, the Board may not increase Common Assessments for any subsequent fiscal year by an amount that causes the Common Assessments levied against any Unit to increase by more than 25% over the Common Assessments levied against such Unit in the prior fiscal year unless such increase is approved by the affirmative vote of 67% of the votes in the Association and by a majority of holders of First Mortgages. Any increase in the Common Assessments levied against a Unit pursuant to Section 10.11 shall not be counted for the purposes of this Section 10.3(c).

10.4 Limited Assessments.

(a) **Generally.** Each Unit that is allocated any Limited Common Elements as detailed on Exhibit E is subject to, and the Owner of such Unit is liable for, Limited Assessments for such Unit's allocated share (as determined pursuant to Section 10.4(b) below) of the Limited Common Elements Expenses that are attributable to the Limited Common Elements allocated to such Unit on Exhibit E. The Association shall set the Limited Assessments for each fiscal year at a level that is reasonably expected to produce income for the Association over such fiscal year equal to the Limited Common Elements Expenses set forth in the budget adopted by the Board and ratified by the Owners.

(b) **Allocation.** Subject to Section 10.11, each Unit subject to Limited Assessments is allocated a percentage share of the Limited Common Elements Expenses attributable to the Limited Common Elements allocated to such Unit on Exhibit E, such percentage to be derived from a fraction, the numerator of which is the Voting Units for such Unit and the denominator of which is the sum of the Total Voting Units for every Unit to which such Limited Common Elements are allocated.

(c) **Adjustment and Reconciliation.** The Board shall adjust and reconcile the Limited Assessments in the same manner as provided for the Common Assessments.

10.5 Special Assessments. In addition to other authorized Assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or

expenses in excess of those budgeted, including, without limitation, the costs of any construction, restoration, or unbudgeted repairs or replacements of capital improvements. Subject to Section 10.11, each Unit is subject to Special Assessments as follows: (a) in the case of Special Assessments for the General Common Elements or that otherwise benefit all the Owners, each Unit is subject to the Unit's Common Allocation of the Special Assessments levied by the Association; (b) in the case of Special Assessments that benefit only Limited Common Elements, the Special Assessment shall be levied against the Units so benefited in the same manner as Limited Common Elements Expenses; and (c) in the case of Special Assessments not covered by clauses (a) and (b) above, the Special Assessments shall be levied against the benefited Units in proportion to their respective Voting Units. No Special Assessment proposed by the Association shall be levied until it is ratified by the Owners of the Units that will be subject to such Special Assessment. A proposed Special Assessment will be ratified unless Owners representing a majority of the votes allocated to the Units that will be subject to the Special Assessment vote, either in person or by proxy, to reject the Special Assessment at a meeting called for such purpose. During the Development Period, any proposed Special Assessment shall also require Declarant's consent. Special Assessments may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall have the right to require that Special Assessments be paid in advance of the provision of the subject services or materials. Without limiting the generality of the foregoing, the Board may levy Special Assessments to cover certain costs of restoration or replacement of General Common Elements or Limited Common Elements in the event of damage, destruction or Taking of such Common Elements.

10.6 Specific Assessments. The Association shall have the power to levy Specific Assessments against one or more particular Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items or services to such Unit or occupants thereof, upon request of the Owner of such Unit pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which may include, without limitation, landscape maintenance and snow removal), which Specific Assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Association;

(b) to cover liabilities and costs (including, without limitation, attorneys' fees) incurred in bringing the Unit into compliance with the terms of this Declaration, the Bylaws or the Rules, or costs incurred as a consequence of the conduct of the Owner or such Owner's Permittees (including, without limitation, any costs incurred at the election of Declarant or the Association to cure a breach or violation of any provision of this Declaration, the Bylaws or the Rules by such Owner or Permittees); provided, however, the Board shall give the Owner of such Unit notice and an opportunity to be heard as provided in the Bylaws before levying any Specific Assessment under this Section 10.6(b); and

(c) to cover costs and expenses incurred by the Association that may be levied as Specific Assessments pursuant to the express terms of this Declaration.

10.7 Owners Obligations for Assessments.

(a) **Personal Obligation.** Each Assessment, together with interest computed from the due date of such Assessment at 21% per annum or such lower rate set by the Board, late charges in such amount as the Board may establish by resolution, costs and reasonable attorneys' fees, shall be a charge and continuing lien upon the Unit against which the Assessment is made until paid, as more particularly provided in Section 10.9. Without limiting Section 14.2, each such Assessment, together with such interest, late charges, costs and reasonable attorneys' fees, and any other obligations or liabilities imposed by or pursuant to this Declaration, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the Assessment, obligation or liability arose. No holder of a First Mortgage who becomes the Owner of a Unit by exercising the remedies provided in its Mortgage shall be personally liable for unpaid Assessments which accrued prior to such acquisition of title. Nothing in this Declaration is intended or shall be construed to limit the liability of a First Mortgagee (or its foreclosure purchaser or other successors in interest) who becomes the Owner of a Unit for any Assessments levied against such Unit while such First Mortgagee is the Owner of it.

(b) **Terms of Payment.** Except for Specific Assessments, which shall be paid in the manner determined by the Board, Assessments shall be paid in equal monthly, quarterly or annual installments on or before the first day of each month, quarter or fiscal year, as applicable, or in such other reasonable manner as the Board may establish. The Board may grant discounts for early payment, require advance payment of Assessments at closing of the transfer of title to a Unit, and impose special requirements upon Owners with a history of delinquent payment. The Board may, in its sole discretion, require any Subsidiary Association to collect Assessments payable by the Owners who are members of such Subsidiary Association on behalf of the Association.

(c) **No Set-Off or Abatement.** No Owner may exempt himself or herself from liability for Assessments by non-use of Common Elements, abandonment of his Unit or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association or the Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action by the Association or the Board.

(i) **Estoppel Certificate.** Within 10 business days after receipt of a written request from any Owner or Mortgagee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, the Association shall furnish to such Owner or Mortgagee, by personal delivery or certified mail, first-class postage prepaid, return receipt requested, an estoppel certificate in writing signed by an Association officer and addressed to such Owner or Mortgagee, or the designee of either, stating any then unpaid Assessments due from, or other known defaults by, the requesting Owner or the Owner of the Unit encumbered by such Mortgagee's Mortgage, or stating that there are no unpaid Assessments due from, or other known defaults by, such Owner, as the case may be. Such an estoppel certificate executed in favor of in Owner, Mortgagee or other Persons named therein who rely thereon in good faith will be conclusive upon the Association as to the matters set forth therein and such Owner's Unit will not be subject to a lien for any unpaid Assessments

against such Unit arising before the date of such certificate and in excess of any unpaid amounts stated in such certificate. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

10.8 Declarant's Obligation for Assessments. Until the Association levies Assessments, Declarant shall pay the Association's costs and expenses. After Assessments commence as provided in Section 10.10, Declarant's obligations for Assessments may be satisfied in the form of cash or by "in kind" contributions of services or materials to the Association, or by any combination of these.

10.9 Lien for Assessments.

(a) **Perfection and Priority of Lien.** The Association shall have a lien against each Unit to secure payment of delinquent Assessments, as well as interest (computed from the due date of such Assessment at a rate of 21% per annum or such lower rate set by the Board), late charges in such amount as the Board may establish by resolution, costs and reasonable attorneys' fees. Such lien shall be perfected upon the Recording of this Declaration and no further claim of lien shall be required. Notwithstanding the foregoing and without limitation on the effectiveness or perfection of the lien against each Unit, the Association shall have the right, but not the obligation, to prepare and Record a "Notice of Lien" in a form satisfactory to the Board which may set forth (i) the amount of any Assessment, charge, fine or other amount due and owing to the Association; (ii) the date such amount was due and payable and the date from which interest accrues; (iii) a recitation of the costs and expenses (including reasonable attorneys' fees) incurred in attempting to collect the unpaid amount as of the date of recording of such Notice of Lien; (iv) the Unit encumbered by the lien; and (v) the name or names, last known to the Association, of the Owner of the Unit. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments and other levies which by law are superior, and (b) the lien or charge of any First Mortgage made in good faith and for value. Notwithstanding the foregoing, the Association's lien for delinquent Assessments shall be prior to a First Mortgage to the extent provided by the Act.

(b) **Enforcement of Lien.** Such lien, when delinquent, may be enforced in the same manner as provided for the foreclosure of mortgages under the laws of the State of Colorado. The Association may bid for a Unit at any foreclosure sale and acquire, hold, lease, mortgage and convey such Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on behalf of the Association as Owner of such Unit; (b) no Assessments shall be levied against such Unit; and (c) each other Unit shall be charged, in addition to its usual Assessments, its pro rata share of the Assessments that would have been charged the Unit acquired by foreclosure had such Unit not been acquired by the Association. The Association may sue for unpaid Assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

(c) **Transfer of Unit.** The sale or transfer of any Unit shall not affect an existing lien for previous Assessments or relieve such Unit from any lien for subsequent Assessments. Upon sale or transfer of a Unit pursuant to foreclosure of a First Mortgage, the amount of Assessments included in any lien extinguished by foreclosure of a First Mortgage shall become Common Expenses collectible as Common Assessments levied against the Units

subject to Common Assessments, excluding, however, the Unit acquired through the foreclosed First Mortgage.

10.10 Commencement of Assessments. The obligation to pay Common Assessments, Limited Assessments and Special Assessments shall commence as to each Unit on the first day of the month following the later of. (a) the month in which the Unit is made subject to this Declaration or (b) the month in which the Association first establishes and ratifies a budget and levies Assessments pursuant to this Article X. The obligation to pay Specific Assessments shall commence as to any Unit when the Association levies the Specific Assessments against the Unit pursuant to this Declaration. The first annual Common Assessments, Limited Assessments and Special Assessments levied on each Unit, whether levied at the partial or full rate as provided in Section 10.11, shall be prorated according to the number of months remaining in the fiscal year at the time Assessments commence on the Unit.

10.11 Discount for Certain Assessments. With regard to an Owner's obligation to pay Common Assessments, Limited Assessments and Special Assessments assessed against such Owner's Unit, the Owner shall be entitled to a discount on such Assessments as follows: until the first day of the first month following the issuance by the County of a certificate of occupancy for building Improvements on the Unit (or other applicable form of approval which authorizes the occupancy thereof), the Association shall assess such Unit for the Assessments due under Sections 10.3, 10.4 and 10.5 as if the Voting Units for such Unit were 10% of the Voting Units actually attributable to such Unit, and thereafter, such Unit shall be assessed for the full amount of Assessments due under Sections 10.3, 10.4 and 10.5. Any Owner who is entitled to a discount on Assessments made against a particular Unit pursuant to this Section 10.11, shall, upon receiving a certificate of occupancy for building Improvements on the Unit, promptly notify the Association of the receipt of such certificate of occupancy. For so long as any Unit is eligible for and receiving the Assessment discount provided for by this Section 10.11, then for the purposes of levying Assessments under Sections 10.3, 10.4 and 10.5, the Total Voting Units (or, with regard to Limited Assessments, the sum of the Voting Units for every Unit allocated such Limited Common Elements) shall be deemed to be reduced by subtracting from it 90% of the sum of the Voting Units for the Units receiving such Assessment discount. The foregoing adjustment in Assessments shall not reduce or otherwise affect the number of votes or Voting Units appurtenant to any Unit with respect to voting rights or establishing a quorum.

10.12 Failure to Assess. Failure of the Board to fix Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice shall not be deemed a waiver, modification or release of any Owner's obligation to pay Assessments. In such event, each Owner shall continue to pay Common Assessments on the same basis as during the last year for which an Assessment was made, if any, until a new Assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

10.13 Exempt Property. The following property shall be exempt from payment of Assessments: (i) all Common Elements owned in fee simple by the Association and (ii) any property dedicated to and accepted by any governmental authority or public utility.

ARTICLE XI
MAINTENANCE

11.1 Association's Responsibilities.

(a) **Maintenance of Common Elements.** The Association shall maintain and keep in good condition, repair and working order the Common Elements, which maintenance may pertain, without limitation, to:

(i) all landscaping and other flora, parks, open space, ditches and gullies and other Improvements, including any private streets and bike and pedestrian pathways/trails, situated upon the Common Elements, to the extent not maintained by third parties;

(ii) landscaping within public rights-of-way that abut or provide access to the Property (unless maintained by any public entity), to the extent not maintained by third parties;

(iii) all ponds, streams and wetlands owned by the Association and located on the Property which serve as part of the drainage and storm water retention system for the Property, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits and similar equipment installed therein or used in connection therewith;

(iv) all lakefronts, reservoir-fronts, beaches, wetlands, boat launch areas, conservation and open space areas owned by the Association and located on the Property or for which the Association has undertaken maintenance obligations under any agreement with any other party;

(v) all Private Drives and other roads, streets and rights-of-way owned by the Association;

(vi) all street light maintenance within and adjacent to the Private Drives; and

(vii) such fencing, if any, located on or adjacent to the Property for which the Association undertakes maintenance responsibility from time to time.

(b) **Maintenance of Other Property.** The Association may maintain other property which it does not own, including, without limitation, any property that has been transferred to the County or dedicated to the public, if the Board determines that such maintenance is necessary or desirable.

(c) **Operation of Facilities.** The Association shall maintain the facilities and equipment within the Common Elements in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, or unless Members representing 80% of the total vote in the Association agree in writing to discontinue such operation.

(d) **Open Space Declaration.** The Association shall assume the obligations of Declarant under the Open Space Declaration, and shall perform the maintenance and other obligations set forth therein.

(e) **Election to Perform Owners' Duties.** The Association may elect to maintain or repair any Unit or portion thereof, the maintenance or repair of which is the responsibility of an Owner pursuant to Section 11.2, if (i) such Owner has failed, for more than thirty (30) days after notice from the Association, to perform its responsibilities under this Declaration with respect to the maintenance or repair of its Unit, and (ii) such failure has a material effect on the appearance of such Unit when viewed from any area outside such Unit or has a material adverse effect on the use of another Unit or any Common Element for its permitted and intended use; provided, however, that if such failure is not susceptible of being cured within such 30-day period, the Association will not be entitled to perform any repairs or maintenance if such Owner commences performance of its obligations within such 30-day period and thereafter diligently completes such performance. Such Owner will pay all costs (including, without limitation, reasonable attorneys fees) incurred by the Association in exercising its rights under this Section 11.1(d), and such costs shall be levied against such Owner as a Specific Assessment. Such payment will be made upon receipt of a demand from the Association therefor. If an Owner fails to make such payment within 30 days of receipt of a demand therefor, the Association will be entitled to take whatever lawful action it deems necessary to collect such payment including, without limitation, foreclosing its lien or instituting an action at law or in equity.

11.2 Owners Maintenance Responsibility. Each Owner shall maintain such Owner's Unit and the Improvements thereon in a clean, safe, attractive and orderly manner and shall perform all necessary repairs of such Unit and Improvements, unless such maintenance responsibility is otherwise assumed by the Association or a Subsidiary Association pursuant to, respectively, this Declaration or any Subsidiary Declaration applicable to such Unit.

ARTICLE XII

INSURANCE DAMAGE AND TAKINGS

12.1 Association's Insurance.

(a) **Required Insurance.** The Association, acting through the Board or its duly authorized agent, shall maintain in effect the insurance coverage required by the Act, and such insurance coverage shall be in the forms, insure the persons, and include the terms, waivers of subrogation and endorsements required by the Act.

(b) **Additional Insurance.** In addition to the insurance maintained pursuant to Section 12.1(a), the Association may maintain any other insurance on such terms and in such amounts as the Board determines is prudent or necessary from time to time.

12.2 Damage and Destruction.

(a) Property Insured by Association.

(i) Immediately after damage or destruction to all or any part of the Property covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means the repair or restoration of the damaged property to substantially the condition in which it existed prior to the damage, allowing for changes necessitated by changes in applicable building codes.

(ii) Any damage to or destruction of the Common Elements shall be repaired or reconstructed unless, within 60 days after the loss, a decision not to repair or reconstruct is made by Members representing at least 67% of the votes in the Association (or, with respect to Limited Common Elements, 67% of the votes of the Members to whose Units such Limited Common Elements are allocated), and, if the damage or destruction occurs during the Development Period, the vote of Declarant. If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60 day period, then such period shall be extended until such funds and information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction to the Common Elements shall be repaired or reconstructed.

(iii) If a decision not to repair or reconstruct the damage or destruction to the Common Elements is made pursuant to Section 12.2(a)(ii) and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive landscaped condition.

(iv) Any insurance proceeds attributable to damage to Common Elements shall be applied to the costs of repair or reconstruction and then, if any insurance proceeds remain, distributed among the Owners in proportion to the Common Allocation for each of their Units, except that with regard to damage to Limited Common Elements, the proceeds shall be distributed among the Members to whose Units such Limited Common Elements are allocated in proportion to the Voting Units of such Units.

(v) If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may levy Assessments to cover the shortfall pursuant to Section 10.5.

(vi) Each Unit will continue to be subject to Assessments following any damage to any portion of the Common Elements, without abatement as a result of such damage.

(b) **Property Insured by Owners.** Each Owner covenants and agrees that in the event of damage or destruction to structures on or comprising his Unit, the Owner shall proceed promptly to either: (i) repair or reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with the

requirements of the applicable Subsidiary Declaration, or (ii) clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive landscaped condition. The Owner shall pay any costs of such repair and reconstruction or clearing and maintenance which are not covered by insurance proceeds.

12.3 Takings.

(a) **Taking of Units.** In the event of a Taking of all or any part of any Unit, the Owner thereof will be solely responsible for negotiating with the condemning authority concerning the award for such Taking and will be entitled to receive such award after the liens of all Mortgagees on the affected Unit or portion thereof have been satisfied or otherwise discharged. If only part of a Unit is acquired by a Taking, the Owner of such Unit will be responsible for the restoration of its Unit as necessary to return the Unit to a safe and lawful condition that does not adversely affect the use or enjoyment of the other Units or Common Elements or detract from the general character or appearance of the Property. Any such restoration must be completed in accordance with the provisions of the applicable Subsidiary Declaration. If a Taking occurs by which the condemning authority acquires all or any part of one or more Unit(s) in such a manner that such Unit(s) is or are no longer subject to this Declaration, then the Association will consider and pass an amendment to this Declaration revising the allocations made among the various Units hereunder.

(b) Taking of Common Elements.

(i) The Board will be solely responsible for negotiating, and is hereby authorized to negotiate with the condemning authority on behalf of the Owners concerning, the amount of the award for any Taking by which a condemning authority acquires 100% of the interests in and to any Common Elements owned in fee simple by the Association without also acquiring 100% of the Units, and the acceptance of such award by the Board will be binding on all Owners. Any award made for such a Taking shall be payable to the Association as trustee for the Owners and shall be disbursed as set forth in Sections 12.3(b)(ii) and 12.3(b)(iii). Notwithstanding the foregoing, no Common Elements shall be conveyed in lieu of and under threat of condemnation except in accordance with Section 14.3 and, during the Development Period, with the consent of Declarant.

(ii) If a Taking involves a portion of the Common Elements on which Improvements have been constructed, the Association shall restore or replace such Improvements on the remaining land included in the Common Elements to the extent feasible and economically cost-efficient, unless within 60 days after such Taking Members representing at least 67% of the total votes of the Association (or, with respect to Limited Common Elements, 67% of the votes of the Members to whose Units such Limited Common Elements are allocated) and, if the Taking occurs during the Development Period, Declarant shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. If the award made for such Taking is insufficient to cover the costs of restoration or replacement, the Board of Directors may levy Special Assessments to cover the shortfall pursuant to Section 10.5.

(iii) If the Taking involves property owned by the Association but not any Improvements on the Common Elements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such

award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE XIII

MORTGAGEE PROVISIONS

The following provisions are for the benefit of First Mortgagees and holders, insurers and guarantors of First Mortgages on Units. The provisions of this Article XIII apply to both this Declaration and the Bylaws, notwithstanding any other provisions contained therein.

13.1 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a Taking of the Common Elements.

13.2 Notice to Mortgagees. Upon receipt by the Association of the notice described in Section 2.24, any Eligible Holder who provides such notice will be entitled to prompt written notice of:

(a) Any condemnation loss or casualty loss that affects a material portion of the Property or that affects any Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of Assessments or charges levied against a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days after notice of such delinquency has been delivered to the Owner, or any other violation of this Declaration or the Bylaws relating to such Unit or the Owner or occupant thereof which is not cured within sixty (60) days of notice of such violation;

(c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association and required by the Act.

ARTICLE XIV

CONVEYANCING AND ENCUMBRANCING

14.1 Units. A description of any Units in accordance with the requirements of Colorado law for the conveyance of real property will, if included in an otherwise proper instrument, be sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only such Unit but also all Easements, rights and other benefits appurtenant thereto as provided in this Declaration. A Person who becomes an Owner will promptly notify the Association of his or her ownership of a Unit. An Owner may encumber his or her Unit as he or she sees fit, subject to the provisions of this Declaration.

14.2 Transferee Liability. In the event of any voluntary or involuntary transfer of a Unit to any Person (other than a Person taking title through a foreclosure of a First Mortgage), the transferee will be jointly and severally liable with the transferor of such Unit for

all unpaid Assessments against such Unit up to the time of transfer, without prejudice to such transferee's right to recover from the transferor any amounts paid by such transferee hereunder.

14.3 Common Elements. The Common Elements or portions thereof may be conveyed or subjected to a security interest by the Association pursuant to the minimum requirements of Section 312(1) of the Act. Any net proceeds from the sale of any portion of the Common Elements may be distributed to the Owners as if such amounts were an award paid as a result of the Taking of such portion of the Common Elements.

ARTICLE XV

GENERAL PROVISIONS

15.1 Amendment.

(a) **Amendment by Declarant.** Declarant may unilaterally amend this Declaration during the Development Period in the exercise of its Development Rights to the extent permitted by the Act. Additionally, notwithstanding any contrary provision contained in this Declaration, Declarant may unilaterally amend this Declaration and/or the Plat to correct any clerical, typographical or technical errors, and may amend this Declaration to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association or the Federal National Mortgage Association.

(b) **Amendment by Association.** Except in the case of amendments which may be executed unilaterally by Declarant as set forth in Section 15.1(a), amendments which may be executed by the Association without a vote of the Members as provided in the Act and amendments that are subject to the approval of Eligible Holders pursuant to the terms of this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 50% of the total votes in the Association and, if such amendment occurs during the Development Period, with the consent of Declarant; provided, however, that any amendment which changes the uses to which any Unit is restricted shall require the affirmative vote or written consent or any combination thereof, of Members representing 67% of the total votes in the Association and, if such amendment occurs during the Development Period, with the consent of Declarant. Notwithstanding the above, the percentage of votes necessary to amend a specific clause of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under such clause. Amendments to this Declaration shall be prepared, executed, Recorded and certified by the President of the Association.

(c) **Consent of Declarant.** During the Development Period, no amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant.

(d) **Consent of Owner.** Any amendment of this Declaration made in conformity with this Declaration and the Act shall be conclusively presumed to have received the consent of each Owner and such Owner's Mortgagee, if applicable, and no contrary provision in

any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

(e) **Effective Date Change in Conditions.** Any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one (1) year of its Recording or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

15.2 Duration and Termination.

(a) **Perpetual Duration.** Unless terminated as provided in Section 15.2(b), this Declaration shall have perpetual duration. If Colorado law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided herein.

(b) **Termination.** This Declaration may not be terminated within 30 years of the date of Recording without the consent of all the Owners and, during the Declarant Control Period, the consent of Declarant. Thereafter, it may be terminated only by an instrument signed by Owners who represent at least 67% of the votes in the Association or such lesser percentage permitted by the Act as it may be amended from time to time., Any termination instrument shall be Recorded and must comply with the termination procedures set forth in the Act. Nothing in this Section 15.2(b) shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

15.3 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Owners entitled to cast 75% of the votes in the Association. This Section 15.3 shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of Assessments as provided in Article X; (c) proceedings involving challenges to ad valorem taxation; and (d) counterclaims brought by the Association in proceedings instituted against it. This Section 15.3 may be amended only by a vote of Owners entitled to cast 75% of the votes in the Association.

15.4 Indemnity. No Owner will hold or attempt to hold the Association or its employees or agents liable for, and each Owner shall indemnify and hold harmless the Association, its employees and agents from and against, any and all demands, claims, liens (including, without limitation, mechanics' and materialmen's liens and claims), causes of action, fines, penalties, damages, liabilities, judgments, costs and expenses (including, without limitation, attorneys' fees and costs of litigation) incurred in connection with or arising from:

(a) the use or occupancy or manner of use or occupancy of the Common Elements (or any other property owned by the Association) by such Owner or such - Owner's Permittees;

(b) any activity, work or thing done, permitted or suffered by such Owner in or about the Common Elements or any other property owned by the Association; or

(c) any acts, omissions or negligence of such Owner or such Owner's Permittees;

except to the extent that any injury or damage to persons or property on the -Common Elements or any other property owned by the Association is proximately caused by or results proximately from the negligence or deliberate act of the Association or its agents or employees.

Nothing contained in this Section 15.4 will be construed to provide for any indemnification which would violate applicable laws, void any or all of the provisions of this Section 15.4, or negate, abridge, eliminate or otherwise reduce any other indemnification or right which the Association or the Owners have by law.

15.5 Use of the Name "PineRidge". No Person shall use the name "PineRidge" or any derivative in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "PineRidge" in printed or promotional matter where such term is used solely to specify that a particular property is located within PineRidge, the Association shall be entitled to use the name "PineRidge Homeowners Association" in its name, and the Subsidiary Associations and the Subsidiary Declarations may use "PineRidge" in their names and in connection with the portions of the property subject thereto.

15.6 Owner Enforcement. Except as necessary to prevent a violation or attempted violation that results or would result in direct and immediate physical damage to an Owner's Unit or the Improvements thereon, no Owner may prosecute any proceeding at law or in equity to enforce the provisions of this Declaration. Except as provided above with respect to threatened immediate physical damage, the Association, acting through the Board, shall have the exclusive right, power and authority to enforce the provisions of this Declaration. In the event the preceding provisions of this Section 15.6 are adjudged to be unenforceable, an Owner may institute a proceeding to enforce a provision of this Declaration only if the Board does not, at its election, take action to enforce such provisions within 60 days after the Owner gives written notice to the Board specifying the violation or attempted violation of the provisions of this Declaration, the facts and circumstances surrounding the violation, and the name of the Person alleged to have violated or attempted to violate the provisions of this Declaration. Nothing in this Section 15.6 is intended or shall be construed to limit the Declarant's exercise or enjoyment of any rights reserved or granted to Declarant pursuant to this Declaration or the Act.

15.7 Severability. In the event any provision of this Declaration is deemed illegal or invalid by judgment or court order, a legally valid provision similar to the invalidated provision shall be substituted therefor. Invalidation of any provision of this Declaration, in whole or in part, or of any application of a provision of this Declaration, by judgment or court order shall in no way affect other provisions or applications of this Declaration.

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

15.9 Captions. The captions and headings on this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

15.10 Notices. Except for notices concerning meetings of the Association or the Board, which will be given in the manner provided in the Bylaws, any notices required or permitted hereunder or under the Bylaws to be given to any Owner, the Association, the Board or any Eligible Holder will be sent by certified mail, first-class postage prepaid, return receipt requested, to the intended recipient at, in the case of notices to an Owner, the address of such Owner at its Unit; in the case of notices to the Association or the Board, the address of the Association's registered agent; or in the case of notices to an Eligible Holder, the address thereof most recently given to the Association by notice from such Eligible Holder. All notices will be deemed given and received three (3) business days after such mailing. Any Owner or Eligible Holder may change its address for purposes of notice by notice to the Association in accordance with this Section 15.10. The Association or the Board may change its address for purposes of notice by notice to all Owners in accordance with this Section 15.10. Any such change of address will be effective five (5) days after giving of the required notice.

15.11 Colorado Common Interest Ownership Act. This Declaration shall be subject to all mandatory requirements of the Act, as amended. In the event of any conflict between any term or provision of this Declaration and any mandatory provision of the Act, the mandatory provisions of the Act shall control in all instances, and neither the Declarant nor the Association shall have any liability to any party for actions taken in conformity with Act, notwithstanding the fact that such actions may be contrary to the provisions of this Declaration. In the event of any conflict between any term of provision of this Declaration and any permissive or non-mandatory provision of the Act, the provisions of this Declaration shall control in all instances.

15.12 FHA/VA Approval.

(a) **During Declarant Control.** If and to the extent required by the Fair Housing Administration (the "FHA") and the United States Department of Veterans Affairs ("VA"), during the Declarant Control Period, the following actions will require the approval of the FHA and VA: (i) annexation of additional property into the Property; (ii) amendment of this Declaration; or (iii) termination of PineRidge as a planned community under the Act.

(b) **Amendment Cooperation.** If the FHA or VA, as a condition to approving any development project on the Property for loans insured or guaranteed by them, require the Owner proposing such development project to obtain an amendment to this Declaration for the purpose of making this Declaration comply with the statutory or regulatory requirements enforced by the FHA or VA, then Declarant and the other Owners agree to cooperate reasonably with such Owner in making such amendment; provided, however, that the proposed amendment must be consistent with the Act and the Owner requesting such amendment shall pay all costs and expenses (including, without limitation, attorneys fees) reasonably incurred by Declarant and the other Owners so cooperating.

15.13 Declarant Liability. Except as otherwise provided in the Act, no Person holding the status of, or exercising any rights or performing any obligations of, Declarant under this Declaration shall be liable to any Owner or Mortgagee for any acts or omissions of another

Person holding such status, or exercising any rights or performing any obligations associated with the status of Declarant.

15.14 No Merger. Notwithstanding that the Declarant and the Current Owners currently holds title to all the Property and the Additional Lands, and notwithstanding that a subsequent Owner may own or hold title to more than one Unit, any such commonality of interests shall not result in or cause any merger and extinguishment, in whole or in part, of any provisions of this Declaration, it being intended by Declarant and the Current Owners, for their benefit and the benefit of their successors in interest, that the terms of this Declaration not be merged by virtue of those common ownership interests to any extent, but instead that such terms be and remain in full force and effect upon and following the making and Recording of this Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of the 3rd day of ~~March~~, 2000.

DECLARANT:

GENESEE COMMUNITIES V, INC., a
Colorado corporation

By: 
Robert R. Short, President

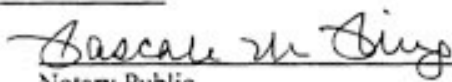
STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 1st day of March, 2000, by Robert R. Short as President of Genesee Communities V, Inc., a Colorado corporation.

Witness my hand and official seal.

My Commission expires: Commission Expires April 22, 2000;




Notary Public

THE UNDERSIGNED hereby consent to this Declaration and hereby subject their respective interests in the Property, if any, to the terms and provisions of this Declaration

CURRENT OWNERS:

PINERIDGE HOMEOWNERS
ASSOCIATION a Colorado nonprofit
corporation

By: Lisa K. Celandia
Lisa K. Celandia, President

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 1st day of March, 2000, by Lisa K. Celandia as President of PineRidge Homeowners Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My Commission expires: My Commission Expires April 22, 2000



Pascale M. Pring
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 1 THROUGH 24, INCLUSIVE, AND
TRACTS A, E, G AND H,
ACCORDING TO THE PLAT OF
CASTLE PINES NORTH FILING NO. 28,
COUNTY OF DOUGLAS,
STATE OF COLORADO

EXHIBIT B

EASEMENTS LICENSES AND OTHER MATTERS AFFECTING THE PROPERTY

1. INCLUSION INTO CASTLE PINES NORTH METROPOLITAN DISTRICT RECORDED JUNE 15, 1984 IN BOOK 525 AT PAGE 351, AND MARCH 7, 1986 IN BOOK 628 AT PAGE 259 AND DECEMBER 4, 1986 IN BOOK 685 AT PAGE 464.
2. AN UNDIVIDED 1/2 INTEREST OF ALL MINERALS AND MINERAL RIGHTS IN THE MINERAL ESTATE WITHOUT RIGHT OF SURFACE ENTRY, ON OR UNDERLYING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, OIL, GAS, COAL OR OTHER HYDROCARBONS AND GEOTHERMAL RESOURCES BY WILLIAM E. HUGHES, HOLLY HUGHES, AND DORIS BELL COGSWELL-MORFIT IN DEEDS RECORDED DECEMBER 22, 1980 IN BOOK 402 AT PAGES 684,689 AND 694, AND ANY ASSIGNMENTS THEREOF.
3. MASTER DECLARATION AND COVENANTS RECORDED OCTOBER 22, 1984 IN BOOK 544 AT PAGE 588, AS AMENDED SEPTEMBER 23, 1985 IN BOOK 596 AT PAGE 775.

FIRST DECLARATION OF ANNEXATION RECORDED SEPTEMBER 23, 1985 [N BOOK 596 AT PAGE 740, AND JANUARY. 25, 1985 IN BOOK 559 AT PAGE 377.

THIRD DECLARATION OF ANNEXATION RECORDED APRIL 19, 1988 IN BOOK 787 AT PAGE 399.
4. DEVELOPMENT GUIDE RECORDED DECEMBER 13, 1988 IN BOOK 831 AT PAGE 772.
5. CASTLE PINES NORTH DEVELOPMENT PLAN, SECOND AMENDMENT, RECORDED DECEMBER 13, 1988 RECEPTION NO. 8830922.
6. RESTRICTIONS, RESERVATIONS AND DEVELOPER EASEMENT AS CONTAINED IN WARRANTY DEED RECORDED FEBRUARY 9, 1996 IN BOOK 1318 AT PAGE 512. . .
7. TERMS, CONDITIONS AND PROVISIONS, COVENANTS AND RESTRICTIONS AS CONTAINED IN GOLF COURSE DECLARATION OF COVENANT RECORDED FEBRUARY 9, 1996 IN BOOK 1318 AT PAGE 569.
8. TERMS, CONDITIONS AND PROVISIONS OF DECLARATION OF NEGATIVE COVENANT RECORDED MAY 29, 1998 IN BOOK 1554 AT PAGE 1775.

9. TERMS, CONDITIONS AND PROVISIONS OF MEMORANDUM OF PARTICIPATION BY AND BETWEEN CRESCENT CASTLE PINES, L.P., A TEXAS LIMITED PARTNERSHIP AND THE GENESEE COMPANY, A COLORADO CORPORATION AS CONTAINED IN INSTRUMENT RECORDED MAY 29,1998 IN BOOK 1554 AT PAGE 1766.
10. TERMS, CONDITIONS AND PROVISIONS OF ACCESS AND DEVELOPMENT EASEMENT AGREEMENT DATED FEBRUARY 1, 2000.
11. PLAT OF CASTLE PINES NORTH FILING NO. 28.
12. TERMS, CONDITIONS AND PROVISIONS OF RESERVATION AND GRANT OF EASEMENT DATED MARCH 1, 2000.
13. ALL OTHER EASEMENTS, RIGHTS-OF-WAY, COVENANTS, CONDITIONS AND RESTRICTIONS OF RECORD.

EXHIBIT C

LEGAL DESCRIPTION OF THE ADDITIONAL LANDS

TRACTS B, C, D, F AND J,
CASTLE PINES NORTH FILING NO. 28,
COUNTY OF DOUGLAS,
STATE OF COLORADO

AND

ANY REMAINING PORTIONS OF
CASTLE PINES NORTH FILING NO. 28,
COUNTY OF DOUGLAS,
STATE OF COLORADO

EXHIBIT D

COMMON ALLOCATIONS; VOTING UNITS

Following is a list of the Units and the Common Allocations for the Units:

Unit Description	Common Allocation	Voting Units
Lot 1	1.000%	1
Lot 2	1.000%	1
Lot 3	1.000%	1
Lot 4	1.000%	1
Lot 5	1.000%	1
Lot 6	1.000%	1
Lot 7	1.000%	1
Lot 8	1.000%	1
Lot 9	1.000%	1
Lot 10	1.000%	1
Lot 11	1.000%	1
Lot 12	1.000%	1
Lot 13	1.000%	1
Lot 14	1.000%	1
Lot 15	1.000%	1
Lot 16	1.000%	1
Lot 17	1.000%	1
Lot 18	1.000%	1
Lot 19	1.000%	1
Lot 20	1.000%	1
Lot 21	1.000%	12
Lot 22	1.000%	36
Lot 23	1.000%	12
Lot 24	1.000%	20

EXHIBIT E

COMMON ELEMENTS

A. General Common Elements:

General Common Elements to be Owned in Fee Simple by the Association:

Tracts A, E and H

All Private Drives and other roads, streets and rights-of-way owned by the Association

General Common Elements Easements for the Benefit of the Association and Related Improvements:

All easements created herein for the benefit of the Association, and any Association and Improvements thereon.

General Common Elements Improvements to be Maintained by the Association (located on property that may not be owned by the Association):

None.

B. Limited Common Elements:

Limited Common Elements to be Owned in Fee Simple by the Association:

None.

Limited Common Elements Easements for the Benefit of the Association and Related Improvements:

None.

Limited Common Elements Improvements to be Owned by the Association (located on property not to be owned by the Association):

None.

C. Allocation of Limited Common Elements:

Not applicable.