

**FIRST SUPPLEMENTARY MASTER DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
TANOVA AT ELK MEADOW**

20.00

**KNOW ALL MEN BY THESE PRESENTS:**

WHEREAS, EVERGREEN VENTURES, a Colorado joint venture (the "Declarant") has executed and caused to be recorded that certain Master Declaration for Tanoa at Elk Meadow, recorded 10 MARCH, 1994, under Reception No. 94045878 of the records of the Office of the Clerk and Recorder of Jefferson County, Colorado (the "Master Declaration");

WHEREAS, Section 12.3 of the Master Declaration reserves to the Declarant the right and power to subject any portion of the Project to additional covenants, conditions and restrictions set forth in a Supplementary Master Declaration; and

WHEREAS, Declarant desires to subject the property described on Exhibit "A" attached hereto and incorporated by this reference (the "First Supplementary Property") to the additional covenants, conditions and restrictions contained in this First Supplementary Master Declaration of Covenants, Conditions and Restrictions for Tanoa at Elk Meadow;

**NOW, THEREFORE**, the undersigned Declarant states, declares and submits as follows:

1. Miscellaneous Use Restrictions. The First Supplementary Property shall be subject to the following use restrictions, which shall be in addition to all other covenants, conditions and restrictions contained in the Master Declaration:

1.1. Setbacks. No portion of any Dwelling Unit, garage, barn, or other building shall be located outside any applicable setback described in any Plat for the Project. Unless the Plat specifically provides otherwise for one or more Lots, each Lot shall be subject to the following setbacks (which shall be considered minimum amounts): (i) a front setback of twenty feet (20'); (ii) side setbacks of fifteen feet (15'); (iii) side setbacks adjacent to the street of twenty feet (20'); and (iv) a rear setback of twenty feet (20').

1.2. Dwelling Units. All Dwelling Units shall be constructed according to plans approved by the Architectural Control Committee pursuant to Section Article VIII of the Master Declaration. All Dwelling Units built on one (1) story shall contain at least two thousand two hundred (2,200) square feet of living space, exclusive of basements, garages, and attics, and all Dwelling Units built on two (2) or more stories shall contain at least two thousand eight hundred (2,800) square feet of living space, exclusive of basements, garages, and attics. Any Dwelling Unit built on a split level shall be considered as being built on one (1) story for purposes of applying this Section.

1.3. Garages. Unless otherwise specifically approved by the Architectural Control Committee, every Dwelling Unit shall include an attached, covered garage which is capable of housing a minimum of two (2) but not more than four (4) passenger cars, pickup trucks or utility vehicles. Every garage shall be constructed with at least one (1) but not more than two (2) doors large enough to allow any vehicle to enter or exit the garage from the driveway. Except when in actual use for ingress and egress by the occupants of the Lot or by vehicles, and subject to any additional Rules and Regulations imposed by the Master Association, all garage doors shall be kept closed at all times.

1.4. Landscaping. All portions of a Lot not improved with the Residence, driveway, walkways, patios or decks (referred to as the unimproved area of a Lot) shall be landscaped by the Owner thereof, other than Declarant or a Participating Builder, except in cases where Declarant or Participating Builder rents the Residence for residential occupancy, in which event Declarant and Participating Builder shall have the obligation to install landscaping in accordance with this paragraph. All landscaping shall be installed in accordance with landscaping plans submitted to and approved by the Architectural Control Committee which shall be drawn to scale and shall set forth the location of landscaping, type of landscape materials,

and be in accord with the requirements of the Architectural Control Committee and the provisions of this Master Declaration. Native vegetation and indigenous species of plants shall be incorporated into a landscape plan whenever possible, and shall be preferred and recommended by the Architectural Control Committee in its review of any landscape plan. The front yard of each Lot improved with a Residence shall be fully landscaped, as approved by the Committee, no later than six (6) months after the date of conveyance from Declarant or a Participating Builder to a third party purchaser, or the first date of occupancy for residential purposes, whichever first occurs, and the balance of each Lot shall be fully landscaped, as approved by the Committee, no later than twelve (12) months after the earlier of those dates. (The front yard of each lot is defined as that area between the street and a line extended from the front corners of the Residence to each side lot line). Once installed, the landscaping of each Lot shall be maintained in a neat, attractive, sightly and well-kept condition, which shall include adequate watering, replacement of dead, diseased or unsightly materials, and removal of weeds and debris.

1.5. Vegetable Garden. Vegetable gardens are prohibited except in screened back yard areas, and only then when part of an approved landscape plan.

1.6. Garages. All single family detached Residences within Tanoa at Elk Meadow shall have attached, covered garages with the capacity for at least two (2) cars. No garage shall have the capacity for more than four (4) cars unless approved by the Architectural Control Committee.

1.7. Swimming Pools/Hot Tubs. Any swimming pools, spas, hot tubs, jacuzzis, and the like shall be screened from view of adjacent Lots and rights of way, by screening materials and methods approved by the Committee.

1.8. Dog Houses/Runs. Dog houses, shelters, and runs shall be completely screened from the view of adjacent public or private properties and streets, and shall be built from materials compatible with the Residence. Notwithstanding any provision to the contrary in the Master Declaration, approved dog runs shall be allowed a side and rear setback of six feet (6').

1.9. Play Equipment. Play equipment may be erected within a fenced or screened area, subject to the approval of the Architectural Control Committee. Play equipment shall be of an appropriate scale and approved materials and color. Equipment utilizing natural materials (wood vs. metal) is preferred.

1.10. Driveways. Any modification to a driveway shall be approved by the Committee. In no case shall the width of the driveway at the curb be widened. Any widening inbound of the curb shall be smoothly transitioned back to the curb.

1.11. Retaining Walls. Any retained walls shall be approved by the Committee. The applicant is encouraged to use materials that are compatible with the building construction (wood painted or stained to match the house, brick or stone to match the house, and the like) and the surrounding natural environment. Retaining walls which divert water onto other properties or otherwise substantially alter existing drainage patterns are prohibited.

1.12. Site Grading. Any change to existing landscape, topography or site grading must be approved by the Committee. No new grading shall divert water onto other properties or otherwise substantially alter existing drainage patterns. Any grading plans shall minimize disruptions to the existing topography and natural terrain and wherever possible shall and protect existing natural landscape features, rock formations, trees and topsoil. Care shall be taken to keep water away from foundations. Downspouts shall discharge onto splash blocks or other devices to prevent saturation of soils at foundations. Irrigation of plant material shall be kept away from the foundation. Patios, lawn areas, shrub beds, and the like, shall be sloped positively away from foundations to prevent puddling of water.

1.13. Fences and Walls. No fences, hedges or walls shall be erected or

maintained upon the Lots except such as are installed in accordance with the initial construction of the Buildings located thereon, unless approved by the Architectural Control Committee or its designated representative, nor may such fences, hedges, or walls which shall be installed as part of the initial construction be removed, transferred, or altered in any manner, except as approved by the Architectural Control Committee or its designated representative. The Architectural Control Committee may prohibit any fence which impairs the line of sight from any driveway to the street. No fence shall be installed which blocks or impedes established drainage ways. In reviewing any proposed construction of fences, the Architectural Control Committee shall apply the covenants and restrictions set forth in this Master Declaration or any Supplementary Master Declaration, any additional Design Guidelines promulgated by the Architectural Control Committee for the Project as a whole or any particular Plat, or phase of the Project, and the reasonable discretion of the Architectural Control Committee.

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2. Conflict. The terms and provisions of this First Supplementary Master Declaration shall be in addition to the terms and provisions of the Master Declaration. In the event of any conflict between this First Supplementary Master Declaration and the Master Declaration, the terms and provisions of this First Supplementary Master Declaration shall control.

3. Applicability. This First Supplementary Master Declaration shall apply only to the First Supplementary Property.

DATED this 11th day of February, 1994.

DECLARANT:

EVERGREEN VENTURES, a Colorado joint venture

BY: E2X CORPORATION, a Colorado corporation, joint venturer

ATTEST:

BY: [Signature]  
Secretary

BY: [Signature]  
President

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Arapahoe )

The above and foregoing First Supplementary Master Declaration for Tanoa at Elk Meadow was acknowledged before me this 11 day of February, 1994, by Christopher P. Elliott as President and Robin J. Eldridge as Secretary of E2X Corporation, a Colorado corporation, joint venturer of Evergreen Ventures, a Colorado joint venture.

My commission expires:

Witness my hand and official seal.

[Signature]  
Notary Public



EXHIBIT A

DESCRIPTION:

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A tract of land situated in portions of the southeast one-quarter (SE 1/4) of Section 32 and the southwest one-quarter (SW 1/4) of Section 33 being in Township 4 South, Range 71 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, and considering the north line of the NW 1/4 of the SE 1/4 of Section 32 N89°15'36"E with all bearings herein relative thereto. Said north line of the NW 1/4 of the SE 1/4 of Section 32 being marked by a 2" steel pipe at the center of Section 32 and a #4 rebar at the NE corner of the NW 1/4 of the SE 1/4 of Section 32. Tract of land being more particularly described as follows:

BEGINNING at the center of said Section 32;  
thence along the north line of the NW 1/4 of the SE 1/4 of said Section 32 N89°15'36"E, a distance of 983.31 feet to the NE corner of a Public Service Company Tract of land described in book 2916 at page 309 in the Jefferson County Records which is also the TRUE POINT OF BEGINNING;  
thence continuing along said north line of the NW 1/4 of the SE 1/4 of said Section 32 N89°15'36"E, a distance of 334.72 feet to the NE corner of the NW 1/4 of the SE 1/4 of said Section 32 marked by a #4 rebar with no cap;  
thence along the north line of the NE 1/4 of the SE 1/4 of said Section 32 N89°16'54"E, a distance of 630.15 feet to a point on the SW right-of-way line of Colorado State Highway #74;  
thence along said SW right-of-way line of Colorado State Highway #74 the following 2 courses and distances:  
1. S36°52'40"E, a distance of 360.46 feet;  
2. S37°51'38"E, a distance of 1990.49 feet;  
thence departing said west right-of-way line of Colorado State Highway #74 N74°25'38"W, a distance of 1807.90 feet;  
thence S88°39'47"W, a distance of 599.56 feet;  
thence N1°55'41"W, a distance of 410.49 feet;  
thence along a non-tangent curve to the left having a radius of 1120.27 feet, a central angle of 2°33'10", an arc length of 49.91 feet and whose chord bears S80°37'58"W, a distance of 49.91 feet; thence N0°04'20"E, a distance of 334.13 feet to the southeast corner of a tract of land conveyed to Public Service Company of Colorado as recorded in book 2916 at page 309 in the records of Jefferson County; thence continuing N0°04'20"E and along the east line of said Public Service Company of Colorado tract a distance of 639.99 feet to the northeast corner of said tract which lies on the north line of the NW 1/4 of the SE 1/4 of Section 32 which is also the TRUE POINT OF BEGINNING; described parcel contains 54.16 acres more or less.

MASTER DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
TANOVA AT ELK MEADOW

180.00  
EVERGREEN VENTURES, a Colorado joint venture (the "Declarant"), as the owner of certain real property located in Jefferson County, Colorado, and more particularly described on Exhibit A, attached hereto and incorporated herein by this reference (the "Properties"), which Properties consist of forty-four (44) individual Lots to be sold, and related Common Area and Common Area Improvements as set forth on Plat(s) recorded or to be recorded, hereby makes the following grants, submissions, and declarations: 1-3.

RECITALS

Declarant desires to provide for the preservation and enhancement of property values, and opportunities in the Properties, contributing to the personal and general health, safety and welfare of residents and for the maintenance of the Common Area and Improvements, and to this end desires to create a planned community under the authority of and in compliance with the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101, *et seq.* (the "Act"), and for that purpose, Declarant desires to subject the Properties, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Properties and each Owner thereof.

DECLARATION

NOW, THEREFORE, Declarant declares that the Properties and such additions as may hereafter be made are and shall be held, transferred, sold, conveyed and occupied subject to the following uniform covenants, conditions, restrictions, easements, charges and liens which shall run with the real property and be binding on all persons having or acquiring any right, title or interest in the Properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of, be binding upon, and be enforceable by Declarant, its successors in interest, each Owner and his successors in interest, and the Tanoa at Elk Meadow Homeowners Master Association, and its successors in interest.

**I. DEFINITIONS**

The following terms shall have the following meanings when used, unless the context otherwise requires:

1.1 Board of Directors. "Board of Directors" or "Board" shall mean and include the governing body of the Master Association as provided in this Master Declaration, the Articles of Incorporation and the By-Laws thereof.

1.2 Building. "Building" shall mean and include any building constructed on the Properties.

1.3 Common Area. "Common Area" shall mean and refer to the real property described as Common Area in Exhibit B, together with all Common Area Improvements thereon and rights appurtenant thereto, and all personal property used in connection therewith. The Common Area shall generally include open space, certain private streets, drives and access easements, sidewalks, greenbelt areas, and any recreational amenities described in this Master Declaration or any Plat or Map. Common Area shall also include any additional Common Area included in the Project as a result of annexation of any land as provided in Article XIII.

1.4 Common Area Improvements. "Common Area Improvements" shall mean and refer to any and all improvements located in, under, or upon the Common Area, as originally developed and constructed by Declarant or as later added by the Master Association, which Common Area Improvements may include entryways, greenbelts, open space and non-dedicated and private roadways, all as may be located upon the Common Area described herein.

1.5 Common Expense. "Common Expense" shall mean and refer to:

1.5.1 Expenses of administration, operation or management, repair, maintenance or replacement of the Common Area of the Project;

1.5.2 Expenses declared Common Expenses by the provisions of this Master Declaration, the Articles of Incorporation and By-Laws of the Master Association;

1.5.3 All sums lawfully assessed against the Lots by the Board of Directors of the Master Association;

1.5.4 Expenses determined to be Common Expenses by the Master Association;

1.5.5 Expenses as are provided in any management agreement applicable to the Properties; and

1.5.6 Expenses incurred in the maintenance of any property over which the Master Association has a license and maintenance agreement with public agencies, authorities or utilities, including, but not limited to Public Service Company of Colorado, the Evergreen Metropolitan District, and Jefferson County, Colorado.

1.6 Declarant. "Declarant" shall mean and include Evergreen Ventures, a Colorado joint venture, its successors and assigns, if such successors and assigns should acquire all Lots owned by Declarant for the purpose of development and sale and a notice of assignment of Declarant's rights hereunder is recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado, specifying the assignee of Declarant's rights.

1.7 Dwelling Unit. "Dwelling Unit" shall mean and refer to the improvements located upon any Lot built for single family occupancy as a residence which are constructed on or after the date on which this Master Declaration is effective within the meaning of the Act.

1.8 First Mortgage. "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado, encumbering any Lot having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments). "First Mortgage" shall also mean and refer to any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is the seller, whether such contract is recorded or not, and whether such contract is owned by the Administrator or has been assigned by the Administrator and is owned by the Administrator's assignee, or a remote assignee, and the land records in the Office of the Clerk and Recorder of Jefferson County, Colorado show the Administrator as having the record title to the Lot.

1.9 First Mortgagee. "First Mortgagee" shall mean and include the holder or beneficiary of any recorded First Mortgage.

1.10 Improvement. "Improvement" shall mean and refer to any improvement constructed on a Lot, including, but not limited to any Dwelling Unit, building, garage, out-building, structure, fixture, landscaping, site grading, driveway, sidewalk, drainage channel, culvert, roadway, fence, wall, deck, patio, shed, swimming pool, or pond, located on any part of the Project or Properties, including, but not limited to, buildings, structures or fixtures

located on the Properties or any Lot prior to the recording and effective dates of this Master Declaration.

1.11 Licensed Property. "Licensed Property" shall mean and include any property owned by a governmental unit or entity which is maintained by the Master Association and used by the Members pursuant to a license agreement with a governmental unit or entity, including but not limited to Jefferson County Open Space.

1.12 Lot. "Lot" shall mean and refer to any separately numbered plot of land shown upon any recorded Plat of the Properties, with the exception of the Common Area and any public streets, but together with any appurtenances thereto or Improvements thereon. A Lot shall be a "unit" in Tanoa at Elk Meadow for purposes of C.R.S. §§ 38-33.3-101, *et seq.*

1.13 Lot Improvement. "Lot Improvement" shall mean and refer to any Improvements located upon a Lot in addition to a Dwelling Unit, as above defined, as such Improvements were originally installed by the Declarant or later approved for installation by the Master Association and intended for use in connection with the ownership of such Lot.

1.14 Map. "Map" shall mean and refer to the Map of Tanoa at Elk Meadow prepared in accordance with this Master Declaration and C.R.S. § 38-33.3-209, which shall include a survey of the Properties, the Lots and the Common Area, and shall be recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado.

1.15 Master Association. "Master Association" shall mean and include Tanoa at Elk Meadow Homeowners Master Association, a Colorado nonprofit corporation, its successors and assigns.

1.16 Master Declaration. "Master Declaration" shall mean and include this instrument together with any and all supplements and/or amendments hereto recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado.

1.17 Member. "Member" shall mean and refer to those persons entitled to membership in the Master Association. "Member" and "Owner" (as hereinafter defined) may be used interchangeably herein, unless the context provides otherwise.

1.18 Mortgage. "Mortgage" shall mean and include any recorded mortgage, deed of trust or other security instrument by which a Lot or any part thereof is encumbered.

1.19 Mortgagee. "Mortgagee" shall mean and include a beneficiary under a Mortgage.

1.20 Owner. "Owner" shall mean and include any person or entity, including the Declarant, at any time owning a Lot. The term "Owner" shall not refer to any Mortgagee as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure, or any proceeding in lieu of foreclosure. The terms "Owner" and "Member" (as hereinabove defined) may be used interchangeably herein, unless the context provides otherwise.

1.21 Participating Builder. "Participating Builder" shall mean an Owner other than Declarant which acquires a portion of the Properties from Declarant for the purpose of reselling or leasing the Residences thereon and which is designated in writing by Declarant as a Participating Builder.

1.22 Properties and Project. "Properties" and "Project" shall mean and refer to that certain real property described on Exhibit A, and any additions thereto pursuant to Article XIII hereof. The Project shall be a "planned community" for purposes of C.R.S. §§ 38-33.3-101, *et seq.*, as the Act exists on the date on which this Master Declaration is recorded in the records of the office of the Clerk and Recorder of Jefferson County, Colorado.

1.23 Plat. "Plat" shall mean and refer to the plat of Tanoa at Elk Meadow recorded on November 29, 1993, in Book 115 at Pages 43-45, under Reception No. 93197429 of the records of the Office of the Clerk and Recorder of Jefferson County, Colorado, as the same may be amended or supplemented from time to time.

1.24 Residence. "Residence" shall have the same meaning as Dwelling Unit as defined in this Master Declaration.

1.25 Residential Association. "Residential Association" shall mean and refer to any homeowners association created pursuant to a Residential Declaration recorded on a portion of Tanoa at Elk Meadow, the members of which are Owners of Dwelling Units subject to that Residential Declaration.

1.26 Residential Declaration. "Residential Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which creates a condominium or planned community within the meaning of the Act on a portion of property within Tanoa at Elk Meadow, and which is additionally subject to this Master Declaration.

1.27 Supplementary Map. "Supplementary Map" shall mean and refer to any supplement to the Map of Tanoa at Elk Meadow prepared as a Map under this Master Declaration and recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado.

1.28 Supplementary Master Declaration. "Supplementary Master Declaration" shall mean any Master Declaration of Covenants, Conditions, or Restrictions which may be recorded on a portion of the Property which is in addition to this Master Declaration and contains or may contain covenants, conditions, and restrictions, in addition to those set forth herein applicable only to that portion of the Property.

1.29 Tanoa at Elk Meadow. "Tanoa at Elk Meadow" shall mean the Project and the Properties as defined in Section 1.22.

## II. PROPERTY RIGHTS

2.1 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and any Licensed Property which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

2.1.1 The right of the Master Association to suspend the voting rights and right to use of any Common Area and Common Area Improvements by a Member for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any and each infraction of its published Rules and Regulations;

2.1.2 The right of the Master Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members as provided in Section 4.6; and,

2.1.3 The right of the Master Association, in accordance with this Master Declaration and its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area or Licensed Property, or the existing Common Area Improvements, and in aid thereof, to mortgage or encumber the Properties, and the rights of such Mortgagee in the Properties shall be subordinate to the rights of the Owners hereunder.

2.2 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area, Licensed Property, and Common Area Improvements to the members of his family, his tenants, invitees, or contract purchasers who reside on the Properties.



2.3 Common Area and Improvements Thereon. Declarant hereby covenants for itself, its successors and assigns, that prior to the conveyance of the first Lot to an Owner other than a successor Declarant or Participating Builder, Declarant shall convey to the Master Association, for the benefit of all of the Owners, any Common Area and Common Area Improvement, free and clear of all liens and encumbrances, except for taxes for the current and subsequent years, and subject to easements, rights-of-way, covenants, conditions, exceptions and restrictions of record, or Declarant shall reserve a perpetual non-exclusive easement for the use of any Common Area and Common Area Improvements for the benefit of the Master Association and all of the Owners, free and clear of all liens and encumbrances, except taxes for the current and subsequent years and subject to easements, rights-of-way, covenants, conditions, exceptions and reservations of record. Prior to the conveyance of any Lots included in additional properties annexed into the Project to Owners other than a successor Declarant or Participating Builder, Declarant shall convey to the Master Association, for the benefit of all of the Owners, any Common Area and Common Area Improvements in such annexed property, free and clear of all liens and encumbrances, except taxes for the current and future years, and subject to easements, rights-of-way, covenants, conditions, exceptions and restrictions of record, or Declarant shall reserve a perpetual non-exclusive easement for the use of any Common Area and Common Area Improvements for the benefit of the Master Association and all of the Owners, free and clear of all liens and encumbrances, except taxes for the current and subsequent years and subject to easements, rights-of-way, covenants, conditions, exceptions and reservations of record.

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2.4 Common Area Use. The Common Area and Common Area Improvements described in Sections 1.3 and 1.4 of this Master Declaration and any licenses obtained by the Master Association for use of publicly-owned properties are reserved for the common use and enjoyment of the Owners for pedestrian traffic, vehicular traffic, equestrian traffic, and other such uses common to all the Owners as determined by the Master Association, pursuant to the covenants, provisions, and restrictions contained herein, or as further defined in the Master Association By-Laws and any Rules and Regulations promulgated by the Master Association.

### III. EASEMENTS

3.1 Easements for Encroachments. If any portion of the Common Area or Common Area Improvements thereon now or hereafter encroaches upon any Lot, or if any Lot or Lot Improvements thereon now or hereafter encroaches upon any other Lot or upon any portion of the Common Area, as a result of the construction of the Buildings or other Improvements, or if any such encroachments shall occur hereafter as a result of settling or shifting of any Building or other Improvements or for any other reason, a valid easement shall be deemed to exist for the encroachment and for the maintenance of the same so long as the Building or other Improvements shall exist. In the event any Dwelling Unit, Lot Improvement, or adjoining Common Area Improvement, shall be partially or totally destroyed or taken as a result of condemnation or eminent domain proceedings and then rebuilt at the same location, encroachments due to this rebuilding shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the Building or other Improvements shall stand. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Lot.

3.2 Maintenance Easement. An easement is hereby granted to the Master Association, to be exercised by its officers, directors, agents, employees and contractors upon, across, in, over and under the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Master Declaration, including but not limited to the right to maintain any private streets and drives, and to construct and maintain on the Common Area maintenance and storage facilities for the use of the Master Association. The Master Association is hereby granted the right to create easements upon, across, in over and under the Common Area for installing, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone, electricity, master television antenna system, and cable television, if any; provided that such easements are reasonably necessary for the ongoing development and operation of the Project.

3.3 Emergency Easement. An easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Common Area and all Lots in the Project in the performance of their duties.

#### IV. THE MASTER ASSOCIATION

4.1 The Association. The administration of the Project shall be governed by this Master Declaration and the Articles of Incorporation and By-Laws of the Tanoa at Elk Meadow Homeowners Master Association, a Colorado nonprofit corporation.

4.2 Membership. An Owner of a Lot (as defined in this Master Declaration) and an Owner of a Unit or Lot (as defined in any Residential Declaration) (collectively referred to herein as "Lot") shall automatically become a Member of the Master Association and shall remain a Member for the period of the Owner's Lot ownership. If title to a Lot is held by more than one person, the membership related to that Lot shall be shared by all such persons in the same proportion of interests and by the same type of tenancy in which the title of the Lot is held. An Owner shall be entitled to one membership for each Lot owned. Each membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of the Lot. No Member shall be entitled to a preemptive right or option to purchase any Lot. No person or entity other than an Owner may be a Member of the Master Association, but the rights of membership may be assigned to a Mortgagee as further security for loans secured by a Mortgage of a Lot.

4.3 Classes of Membership and Voting Rights. The Master Association shall have two classes of voting membership:

4.3.1 Class A. Class A Members shall be all Owners other than Declarant and they shall be entitled to one (1) vote for each Lot owned on any matter on which voting by the Owners is permitted or required by this Master Declaration, the Articles of Incorporation or By-Laws of the Master Association. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

4.3.2 Class B. The Class B Members shall be Declarant. Declarant shall be entitled to one (1) vote for each Lot owned. The then existing Class B memberships shall be converted to Class A membership on the happening of any of the following events, whichever occurs first:

4.3.2.1 Upon the date sixty (60) days after the date Declarant has conveyed at least seventy-five percent (75%) of the Lots to purchasers other than Declarant; or

4.3.2.2 Upon the date two (2) years after the date of Declarant's last conveyance of a Lot in the ordinary course of business;

4.3.2.3 Upon the date two (2) years after the date on which any right to add new Lots to the Project was last exercised by Declarant;

4.3.2.4 Upon the date twenty (20) years after the effective date of this Master Declaration; or

4.3.2.5 On a date certain set forth in a written notice from Declarant to the Secretary of the Master Association of its intent to terminate this reserved right as of such date; provided, however, that in the event there is more than one Declarant, such notice must be signed by all such Declarants.

4.3.3 Notwithstanding the foregoing Class B Members' voting rights and during the period of Class B membership only, the Class A Members shall be entitled to elect at least

one (1) but not more than one-third (1/3) of the members of the Board of Directors, upon the happening of the following events:

4.3.3.1 At a meeting of the Master Association called for this purpose within sixty (60) days after the date on which Declarant has conveyed at least twenty-five percent (25%) of the Lots to purchasers other than Declarant, the Class A Members shall be entitled to elect at least one (1) but not more than twenty-five percent (25%) of the members of the Board of Directors, whichever is greater.

4.3.3.2 At a meeting of the Master Association called for this purpose within sixty (60) days after the date on which Declarant has conveyed at least fifty percent (50%) of the Lots to purchasers other than Declarant, the Class A Members shall be entitled to elect at least one (1) but not more than one-third (1/3) of the members of the Board of Directors, whichever is greater.

#### 4.4 Board of Directors.

4.4.1 The Master Association shall be managed by its Board of Directors. The Board of Directors shall be elected by a vote of the Owners in annual meetings or special meetings of the Master Association, at which a quorum is present, called for that purpose according to the Articles of Incorporation and By-Laws of the Master Association. The Board of Directors shall have such powers and duties and shall serve for such terms of office as are set forth in the Articles of Incorporation and By-Laws of the Master Association.

4.4.2 Notwithstanding the foregoing voting rights of the Owners, Declarant hereby reserves the right to appoint the Board of Directors of the Master Association for the period of Class B membership which shall terminate in accordance with the time periods specified in Section 4.3.2; PROVIDED, HOWEVER, that during any period in which Declarant reserves the right to appoint members of the Board of Directors, the Declarant shall not be entitled to vote for any members of the Board of Directors in any election held pursuant to Section 4.3.3 above.

4.4.3 Notwithstanding any provision to the contrary in this Master Declaration, the Class A Members shall be entitled to remove any member of the Board of Directors, other than any Director appointed by Declarant, by the affirmative vote of sixty-seven percent (67%) of the Class A Members without the prior written approval of the First Mortgagees.

4.5 Transfer. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Master Association set forth or reserved herein may not be transferred or assigned to any other person or entity. No such transfer or assignment shall relieve the Master Association of any of the obligations set forth herein. No such transfer or assignment shall revoke or change any of the rights or obligations of any Owners as set forth herein.

4.6 Powers. The Master Association shall be granted all of the powers described in C.R.S. § 38-33.3-302, including but not limited to all powers necessary to govern, manage, maintain, repair, administer, and regulate the Project and to perform all of the duties required of the Master Association. Notwithstanding the preceding sentence, unless sixty-seven percent (67%) of the First Mortgagees, who have registered pursuant to Section 16.7 below (based upon one (1) vote for each First Mortgage owned or held), have given their prior written approval as provided in Section 16.8 below, and the Owners to which sixty-seven percent (67%) of the votes in each class of membership are allocated have given their prior written approval, the Master Association shall not be empowered or entitled to:

4.6.1 By act or omission, seek to abandon or terminate the Project or dissolve the Master Association;

4.6.2 Partition or subdivide any Lot;

4.6.3 Annex any additional land into the Project by means of an amendment to this Master Declaration and the procedure set forth in Article XIII hereof;

4.6.4 By act or omission, seek to abandon, partition or subdivide the Common Area or any Common Area Improvements thereon;

4.6.5 Use hazard insurance proceeds for loss to the Common Area Improvements for other than the repair, replacement, or reconstruction of such Common Area Improvements;

4.6.6 Merge or consolidate with another project or association (other than a Residential Association), except for such provisions as may otherwise be provided herein relating to the annexation of additional lands to the Properties;

4.6.7 Except as may result from the exercise of the annexation provisions in this Master Declaration, change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

4.6.8 Change the voting rights or the extent of rights and easements of each Owner in and to the Common Area and Common Area Improvements thereon;

4.6.9 By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of Dwelling Units, or the maintenance or upkeep of the Common Area; or

4.6.10 Fail to maintain fire and extended coverage on insurable Common Area Improvements on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs).

Notwithstanding the foregoing provisions of this Section, unless sixty-seven percent (67%) of the First Mortgagees, who have registered pursuant to Section 16.7 (based upon one (1) vote for each First Mortgage owned or held), have given their prior written approval as provided in Section 16.8, and the Owners to which eighty percent (80%) of the votes in each class of membership are allocated have given their prior written approval, the Master Association shall not be empowered or entitled to encumber, mortgage, sell or transfer the Common Area or any Common Area Improvements thereon (provided that the granting of easements for utilities, including cable television, or for other public purposes consistent with the intended uses of such Common Area by the Master Association shall not be deemed a transfer within the meaning of this sentence).

4.7 Examination of Books and Records. All Owners, First Mortgagees, insurers or guarantors of a First Mortgage of a Lot in the Project shall, upon request, be entitled to:

4.7.1 Inspect the books and records of the Master Association during normal business hours;

4.7.2 Receive a copy of a financial statement of the Master Association for the preceding fiscal year at no charge;

4.7.3 Receive written notice of all meetings of the Master Association and be permitted to designate a representative to attend all of such meetings; and

4.7.4 Receive current copies of this Master Declaration, By-Laws, Articles of Incorporation and any Rules and Regulations concerning the Project, provided that reasonable copying charges are advanced to the Master Association by the party requesting copies.

If requested by a holder, insurer or guarantor of a First Mortgage in writing, an audited financial statement for the immediately preceding fiscal year will be provided free of charge to the party so requesting, if available. If an audited financial statement is unavailable, then one

shall be prepared at the expense of the party so requesting and furnished within a reasonable time following such request.

4.8 Turnover. Within sixty (60) days after the Owners other than Declarant elect a majority of the Board of Directors, Declarant shall deliver to the Master Association those items of property described in C.R.S. § 38-33.3-303(9) which are in existence and in Declarant's custody or control.

## V. CERTAIN RIGHTS AND OBLIGATIONS OF THE MASTER ASSOCIATION

5.1 Common Area. The Master Association, subject to the rights of Owners with respect to their individual Lots, shall be responsible for the exclusive management and control of the Common Area and Common Area Improvements (including furnishings and equipment related thereto), and shall maintain and keep the same in good, clean, attractive and sanitary condition. The Master Association may, upon acceptable license and maintenance agreements with public agencies, utilities, or jurisdictions, assume responsibility for maintaining any sidewalks, fences, landscaping improvements and other improvements within rights-of-way and other properties owned by such public agencies, on property owned by such public agencies, utilities, or jurisdictions, including, but not limited to the County of Jefferson, State of Colorado. The cost of such management operation, maintenance, and repair by the Master Association shall be borne as provided in Article VI.

5.2 Assessments. The Master Association shall collect any assessments levied upon the Owners and Lots as provided in Article VI. The Master Association shall also have the authority to collect (but not to levy) on behalf of and for the account of any Residential Association, if such Residential Association so desires and requests that any assessment made by a Residential Association created pursuant to this Declaration, including the assessments due the Master Association; provided, however, that such Residential Association shall levy such assessments on its own behalf and shall have agreed to pay and does in fact pay all costs associated with the collection by the Master Association of such assessments.

5.3 Miscellaneous Services. The Master Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Master Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Master Association or by any person or entity with whom or which it contracts. The Master Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Master Declaration. The Master Association may arrange with others to furnish lighting, heating, water, trash collection, snow removal, building and grounds maintenance, sewer service, firewood, and other services as appropriate to the Project. During the period Declarant is in control of the Master Association, any contracts or leases entered into shall contain a right of termination, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days prior written notice to the other party thereto; however, such right of termination need not be present in those contracts and leases wherein the subject matter is an essential service and where long term contracts are required. The cost of such services shall be borne as provided in Article VI.

5.4 Professional Management. The Master Association may obtain and pay for services of a professional "Management Contractor" to manage its affairs, or any part thereof, to the extent it deems advisable, whether such services are in lieu of, or supplemental to, the services described under Section 5.3 above. During the period when Declarant is in control of the Master Association, any management contracts entered into by the Master Association with respect to such professional management of the Properties, and any contracts that such professional management shall enter into on behalf of the Master Association, may not be for a term exceeding one (1) year, and must contain a provision allowing either party to cancel the contract with or without cause, and without a payment of a termination fee or penalty, upon thirty (30) days prior written notice. Further, and in connection with the Master Association's

right to contract for management and personnel, whether on-site or off-site in nature, the Master Association shall have the right to limit the use of portions of the Common Area for purposes of maintenance and storage facilities, management office facilities, management housing facilities to the extent allowable, and other such purposes as deemed desirable and necessary by the Master Association for the purposes of management and maintenance of the Properties. The professional Management Contractor shall be an independent contractor and neither the contractor, nor any of its employees, shall be considered as employees of the Master Association. 10

5.5 Maintenance of Individual Lots. The ownership of the Lots, together with Dwelling Units and existing Lot Improvements, shall be evidenced by a Deed to such Lot, together with the Improvements thereon. Maintenance, upkeep, and repairs of the Lots shall be the sole responsibility of the individual Owners thereof.

5.6 Identity of Board of Directors. From time to time, but not less than annually, there shall be mailed by the Master Association to each Owner a notice containing the names and addresses of the members of the Board of Directors, and the Management Contractor, if there is one.

5.7 Rights of Action. The Master Association and any Owner shall have an appropriate right of action at law or in equity against any person or other Owner to enjoin the violation of any of the provisions of this Master Declaration or with decisions of the Master Association made pursuant to this Master Declaration and for failure to comply with the provisions of this Master Declaration or with decisions of the Master Association made pursuant to this Master Declaration; and any Owner shall have similar rights of action against the Master Association. Any remedies granted to the Master Association in this Master Declaration shall be in addition to any remedies otherwise available to it at law or in equity.

## VI. ASSESSMENTS

6.1 Obligation. All Owners (including Declarant and any Participating Builder) shall be obligated to pay the estimated assessments imposed by the Board of Directors to meet the Common Expenses of maintenance, operation and management of the Property, the Master Association, and the various functions and duties of the Master Association. The Board may establish any reasonable system for collection periodically of Common Expenses, in advance or arrears as deemed desirable. Initially, the assessment for the estimated Common Expenses on an annual basis shall be payable monthly in advance on the first day of each month. In the event a Lot is sold to a non-Declarant purchaser during the year, the annual assessment shall be prorated to the closing date and paid at closing, together with the working capital deposit required by Section 6.12 hereof. Assessments made shall be based upon the estimated cash requirements as the Board shall from time to time determine to be paid by all of the Owners. Estimated expenses shall include the cost of maintenance and operation of the Common Area, Common Area Improvements, cost of maintenance of the publicly owned properties subject to a license and maintenance agreement as described in Section 5.1, expenses of management, taxes and special assessments, unless separately assessed, insurance premiums for insurance coverage as required herein or as deemed desirable or necessary by the Board, landscaping, care of grounds, wages, legal and accounting fees, management fees, expenses and liabilities incurred by the Board or Management Contractor under or by reason of this Master Declaration, payment of any deficit remaining from a previous assessment period, the creation of a reasonable contingency or other reserve or surplus fund for the maintenance or replacement of those Common Area Improvements which must be maintained or replaced on a periodic basis as well as other costs and expenses relating to the Common Area, Licensed Property, and the purposes and responsibilities of the Master Association. The omission or failure of the Board to fix the assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Board shall have the right, but not the obligation, to make pro-rata refunds of any assessments in excess of the actual expenses incurred after the end of the fiscal year.

Declarant shall pay all expenses of the Master Association and for all maintenance of the Common Area until the Master Association first levies a Common Expense assessment against the Lots.

6.2 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Fifty Dollars (\$50.00) per Lot per month. //

6.2.1 Without a vote of the membership or action by the Board of Directors, from and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall increase by an amount equal to ten percent (10%) of the maximum assessment for the previous year.

6.2.2 From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by an amount in excess of ten percent (10%) by a vote of the Owners to which sixty-seven percent (67%) of each class of Members are allocated.

6.2.3 The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

6.3 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, and may be collected on an annual or more frequent basis, as determined by the Board of Directors. The assessment for each Lot shall be the amount of estimated expenses determined by the Board under Sections 6.1 or 6.5 divided by the total number of Lots in the Project at the time of such assessment, including any Lots owned by Declarant or any Participating Builder.

6.4 Time For Payment of Assessments. Assessments shall be due and payable within fifteen (15) days after written notice of the amount thereof shall have been mailed to the registered mailing address of the respective Owner of a Lot. Each assessment shall bear interest at the rate of twenty-one percent (21%) per annum from the date it becomes due and payable if not paid within fifteen (15) days after such date, and there shall be a Twenty Dollar (\$20.00) late charge for each installment of assessment payment that is delinquent. Failure of the Master Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Lot for such assessment, but the date when payment shall become due in such case shall be deferred to a date fifteen (15) days after the due date indicated in the properly sent notice. The Master Association may elect to have the annual assessments paid monthly, or such other periodic basis deemed desirable by the Master Association; and a default in the payment of any one installment of the annual assessment shall additionally give the Master Association the right to accelerate the remaining amount of annual assessment as immediately due and payable, as further referenced hereinafter.

6.5 Special Assessments For Capital Improvements. In addition to the annual assessments authorized by this Article, the Board of Directors may levy in any assessment year a special assessment payable over such a period as the Master Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense or purchase incurred or to be incurred as provided in this Master Declaration. This Section shall not be construed as an independent source of authority for the Master Association to incur expense, but shall be construed to prescribe the manner of assessing the expense authorized by other Sections hereof which shall make specific references to this Article or as set forth in the preceding sentence. Any amounts assessed pursuant hereto shall be assessed to the Owners at a uniform rate. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners and no payment shall be due less than thirty (30) days after such notice shall have been mailed to the registered mailing address of the respective Owner. A special assessment shall bear interest at the rate of twenty-one percent

(21%) per annum from the date it becomes due and payable, if not paid within thirty (30) days after such date, and there shall be a reasonable late charge as set by the Board of Directors.

#### 6.6 Budget Ratification.

6.6.1 At least ninety (90) days prior to levying any annual or special assessment, the Board of Directors shall adopt a proposed budget of the estimated cash requirements for that assessment. Within thirty (30) days after that proposed budget is adopted, the Secretary of the Master Association (on behalf of the Board of Directors) shall cause to be delivered to each Owner at his or its registered address, by regular United States mail, first-class postage prepaid, the following: (i) a summary of the proposed budget, (ii) a statement of the amount of the assessment per Lot and the number and amount of any installments thereof, and (iii) a notice of a meeting of the Master Association which shall specify (a) that the purpose or one of the purposes of the meeting is to allow the Owners to vote on the proposed budget, and (b) the date, place and time of the meeting. The meeting shall be held not less than fourteen (14) nor more than sixty (60) days after the date on which the notice is mailed to the Owners.

6.6.2 At the meeting held pursuant to this Section 6.6, the proposed budget shall be submitted to the Owners for approval. Unless sixty-seven percent (67%) of the Owners (regardless of whether a quorum is present) affirmatively vote against approving the proposed budget in person or by proxy, the proposed budget shall be deemed ratified by the Master Association. In the event a proposed budget is not ratified, the most recent periodic budget in effect shall continue until the Owners ratify a subsequent budget proposed by the Board of Directors. If the proposed budget is not ratified, the Board of Directors shall propose a subsequent budget within fifteen (15) days after the date of the meeting and submit that proposed budget for ratification by the Owners in the manner set forth above for the originally proposed budget.

#### 6.7 Assessment Lien.

6.7.1 All sums assessed but unpaid for the share of Common Expenses or special assessments chargeable to any Lot, including any fees, late charges, fines, interest, costs or attorneys' fees, shall constitute a lien on such Lot superior to all other liens and encumbrances except (a) tax and special assessment liens on the Lot in favor of a taxing authority and (b) all sums unpaid on a First Mortgage of record, including all unpaid obligatory sums as may be provided by such encumbrance. Notwithstanding anything in the preceding sentence, the lien provided by this Article VI shall be prior and superior to a First Mortgage with respect to annual assessments for Common Expenses in an amount (which shall include any costs and attorney's fees permitted to be added to such a lien claim) which shall not exceed one hundred fifty percent (150%) of six (6) times the average monthly Common Expense assessment during the immediately preceding fiscal year. To evidence the lien as herein permitted, the Board of Directors may but shall not be required to prepare a written notice setting forth the amount of such unpaid indebtedness, the amount of accrued penalty thereon, the name of the Owner, and a description of the Lot and record the same in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado. Such lien for assessment shall attach from the due date of the assessment. The lien may be enforced by foreclosure of the defaulting Owner's Lot by the Master Association in the manner for foreclosing a mortgage on real property upon recording of a notice for claim thereof. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid assessments, any interest and penalties thereon, the costs and expense of the foreclosure proceedings, the costs and expense for filing the notice of the claim and lien, and all reasonable attorneys' fees in connection therewith.

6.7.2 The Master Association shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Any Mortgagee holding a Mortgage on a Lot may pay any unpaid assessment payable with respect to such Lot and any and all costs and expenses with respect thereto, and the lien on such Lot for the amounts paid shall have the same priority as the lien of the Mortgage. Except as otherwise provided in Section 6.7.1 above, the lien for assessments referred to herein shall be at all times subordinate to the



lien of any First Mortgage held by a First Mortgagee. By accepting a deed to a Lot, each Owner shall thereby waive and release any and all rights and claims that Owner may have in and to the Lot as a homestead exemption or any other exemption.

6.8 Personal Obligation. The amount of any assessment chargeable against any Lot shall be a personal and individual debt of the Owner thereof. No owner may become exempt from liability for the assessment by abandonment or waiver of the use or enjoyment of any of the Common Area or Common Area Improvements. The Master Association may bring suit to recover a money judgment for unpaid Common Expenses plus interest, costs and expenses, including attorney's fees, without foreclosing or waiving the assessment lien provided herein.

6.9 Notice to First Mortgagee. If requested in writing, the Master Association shall report to the First Mortgagee of a Lot any default hereunder or unpaid assessments remaining in default or unpaid or uncured for longer than sixty (60) days.

6.10 Statement of Status of Assessment Payment. Upon payment of a reasonable fee of not less than Twenty-Five Dollars (\$25.00) (except for First Mortgagees who shall be exempt from such fee) and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, delivered to the Master Association by certified mail, first-class postage prepaid, return receipt requested, the Master Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Lots, which shall be delivered to the inquiring party by certified mail, first-class postage prepaid, return receipt requested to the inquiring party at his or its address set forth in such request. Unless such request shall be complied with within fourteen (14) business days after receipt of that request by the Master Association, and if the request was properly addressed and sent by certified mail, first-class postage prepaid, return receipt requested, then all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. If the request is made by a prospective purchaser, the lien for the unpaid assessment shall be released automatically if the statement is not furnished within the fourteen (14) business day period herein; provided thereafter, that an additional written request is made by such purchaser, and the submission of the additional request is properly addressed and evidenced by a certified mail receipt and the request is not complied with within ten (10) days and the purchaser subsequently acquires the Lot.

6.11 Personal Liability of Purchaser For Assessments. A purchaser of a Lot shall not be personally liable for unpaid assessments against the Lot up to the time of conveyance to purchaser.

6.12 Working Capital and Assessment Reserves.

6.12.1 Each Owner originally purchasing a Lot from Declarant shall be required to deposit and maintain continuously with the Master Association an amount equal to one-fourth (1/4), i.e., three months, of the amount of the first annual assessment, such reserve amount to be held without interest accruing to the Owner, which sum shall be used by the Master Association or Management Contractor as a working capital fund. This amount may be recovered by a seller from a purchaser at the time of resale. After the expiration of Class B membership, in the event the Board decides there is and will be sufficient working capital without this fund, and the reserve for repair and replacement of the Common Area is equal to or greater than the amount of the working capital fund, then this amount may be returned to each current Owner. Such advance payment shall not relieve an Owner from making the regular monthly installment payment of the annual Common Expense assessment as the same becomes due, nor shall the Master Association be required to deduct from such advance payment sums due for common assessments by an Owner prior to instituting any proceedings against the Owner for delinquent common assessments.

6.12.2 The Master Association shall establish an adequate reserve fund for the maintenance, repair and replacement of the Common Area and Common Area Improvements

maintained by the Master Association. This reserve fund shall be maintained through regular installments of Common Expense assessments.

6.13 First Mortgagee--Foreclosure--Liability for Unpaid Assessments. Each First Mortgagee of a Lot within the Project who obtains title to the Lot pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage, or any purchaser at a foreclosure sale, will take the Lot free of any claims for unpaid assessments and charges against the Lot which accrue prior to six (6) months before the time such First Mortgagee or purchaser at a foreclosure sale obtains title to the Lot, but shall not relieve the First Mortgagee or purchaser from liability for, or lien from, any assessments made thereafter. Any unpaid assessment, which was rendered uncollectible by the effect of this Section, may be reallocated and assessed to all Lots as a Common Expense.

6.14 Master Association's Right of Acceleration Upon Default. In addition to the other remedies provided for the Master Association upon the default of an Owner in the payment of an annual assessment, special assessment, or any installment thereof, and in the event an Owner shall default in the payment of any installment of an annual or special assessment, then the Master Association shall have the right to declare immediately due and owing the total amount of such annual or special assessment as remains outstanding at the time of such installment default. This right of acceleration in the event of installment default shall apply whether the Master Association pursues the obligation personally against the Owner or through foreclosure of the Owner's Lot, as provided above.

## VII. RESTRICTIVE COVENANTS AND OBLIGATIONS

7.1 Residential. The Lots are hereby restricted to residential use and uses related to the convenience and enjoyment of such residential use. No buildings or structures shall be moved from other locations onto the Lots or Common Area; and no Common Area or Lot Improvements other than those originally planned or installed by Declarant shall be erected or constructed on the Common Area or upon any Lot unless approved by the Architectural Control Committee or its designated representative. No barn or other out-building shall be used or permitted to be kept or stored on any portion of a Lot, either temporarily or permanently, unless approved by the Architectural Control Committee. Any such buildings shall be located within the applicable setbacks and shall be constructed of the same materials and have the same exterior color as the Residence, and shall be subject to approval by the Architectural Control Committee.

7.2 Sales Facilities of Declarant. Notwithstanding any provision in Section 7.1, Declarant and Participating Builders, their agents, employees and contractors shall be permitted to maintain during the period of construction and sale of the Buildings in the Project upon such portion of the Property as Declarant or Participating Builders may choose, such facilities as in the sole opinion of the Declarant or Participating Builders may be reasonably required, convenient, or incidental to the construction, sale or rental of Lots and Dwelling Units including, but not limited to, construction and storage areas, construction trailers, one business and sales office, located in Lot 1, which shall not exceed two thousand (2,000) square feet of floor space, signs, construction trailers, parking areas not to exceed ten thousand (10,000) square feet of gross area, lighting, and temporary parking facilities for all employees of Declarant and any Participating Builder; provided, however, that the limit on Declarant's right to use the Property for sales purposes shall not limit its right to use the property for construction or development purposes; provided further that these rights shall terminate no later than twenty (20) years after the effective date of this Master Declaration, and provided further, that such use shall not interfere in any way with the right of ingress or egress to any privately owned Dwelling Unit and the use and enjoyment thereof as a private Residence, nor the rights of ingress or egress to the Common Area and Improvements thereon, nor the use thereof for recreation or other proper purposes by the Owners and the Members, agents and Officers of the Master Association.

7.3 Compliance With Law. No improper or unlawful use shall be permitted or made of the Properties or any part thereof. All valid laws, ordinances, and regulations of all governmental bodies having jurisdiction over the Project shall be observed.

7.4 Rules and Regulations. Rules and Regulations may be adopted by the Board of Directors concerning and governing the use of the Common Area and Common Area Improvements, provided such Rules and Regulations shall be furnished to Owners prior to the time they are adopted and that Owners be notified as provided in the By-Laws of the Master Association that the Board of Directors will consider adoption of the Rules and Regulations so that Owners will have an opportunity to be heard or furnish input regarding the adoption and so that such Rules and Regulations shall be uniform and nondiscriminatory. After adoption, a copy of such Rules and Regulations shall be provided to all Owners. The Master Association may also adopt a fine system to impose monetary penalties for such infractions, or take judicial action against any Owner to enforce compliance with such Rules, Regulations, or other obligations, including injunctive relief or to obtain damages for noncompliance, all to the extent permitted by law. The Board of Directors may adopt and publish a fine schedule which shall list fines which shall be imposed for violations of this Master Declaration, the Master Association By-Laws, Articles of Incorporation, and any Rules and Regulations. 15

7.5 No Other Business. No other business activity of any kind shall be conducted in any Dwelling Unit or on the Project, except that permitted by the Master Association or otherwise provided herein.

7.6 Miscellaneous Use Restrictions.

7.6.1 Antennas. Except for any which may, at Declarant's option, be erected by Declarant's designated representative, no exterior radio or television antenna, aerial, satellite dish, or other type of radio or television receiving system shall be erected or maintained without the prior written approval of the Architectural Control Committee.

7.6.2 Transmitters. No electronic or radio transmitter of any kind other than garage door openers shall be located or operated in or on any Improvements or on any Lot without the prior written approval of the Architectural Control Committee.

7.6.3 Repair of Buildings. No Improvement upon any Lot shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner before the surfacing becomes weatherbeaten or worn off. Materials which are customarily left unfinished are permitted so long as in the opinion of the Architectural Control Committee they have not become unsightly.

7.6.4 Reconstruction of Buildings. Any Improvement which may be destroyed in whole or in part by fire, hail, windstorm or any other cause or act of God, shall be rebuilt or all debris removed so as not to render any such property or any portion thereof, in the opinion of the Committee, unsanitary, unsightly, offensive or detrimental to any other property or to its occupants.

7.6.5 Nuisances. No noise or other nuisance shall be permitted to exist or operate upon any Lot so as to be, in the opinion of the Committee, offensive or detrimental to any other property or its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any Lot without the prior written approval of the Committee. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof, in the opinion of the Committee, unsanitary, unsightly, offensive or detrimental to any other property or to its occupants.

7.6.6 Unsightly Articles. No unsightly article shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, mobile homes, recreation vehicles, graders, trucks other than pickups used solely for the private and non-business use of the residents of a Dwelling Unit, boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters,

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snowmobiles, snow removal equipment, garden and maintenance equipment, and all commercial and business vehicles shall be kept at all times, except when in actual use, in an approved garage, out-building or in a storage facility located off the Project. No equipment, tools, lumber, grass, plant waste, shrub or tree clippings, metals, building materials or scrap shall be kept, stored or allowed to accumulate on any property. No lawn or yard art shall be allowed on the Property or on any Lot without prior approval of the Architectural Control Committee. The Master Association shall have right to enter upon any Lot in order to remove any vehicle or other unsightly article located upon any Lot in violation of this Section and store the vehicle or article in a storage facility off the Project site. Any costs or expenses incurred by the Master Association shall be borne by the Owner as provided in Section 7.8. Except for short-term use by guests or invitees of the Owner, no more than three (3) vehicles shall be kept on any Lot. The Owner shall be entitled to park one (1) passenger car, pickup truck or utility vehicle outside an attached garage on the Owner's Lot on an occasional basis for a period which shall not exceed twenty-four (24) consecutive hours. To the extent an Owner utilizes space in the attached garage for other than storing vehicles, the Owner shall be permitted to keep one (1) less vehicle for each garage space so utilized. Without limiting the generality of the foregoing:

(i) No commercial-type vehicles, other than pickup trucks not in excess of three-quarter (3/4) ton as defined by the Colorado Motor Vehicle Department which are solely for personal use, shall be allowed on the Common Area, any Lot, or any street or driveway in the Project except while engaged in transport to and from any Building or Lot. For purposes of applying this provision of any vehicle having any advertising material affixed to its exterior shall be deemed a "commercial-type" vehicle.

(ii) All vehicles stored or parked on any portion of the Project for any period of time must be properly licensed by the State of Colorado, except those vehicles belonging to visitors or guests of an Owner.

(iii) No pickup trucks shall be permitted on any portion of the Project which carry a camper shell extending vertically above the roof of the truck cab for more than six (6) inches.

(iv) No recreational vehicles may be parked or stored on any portion of the Property at any time, except during transport to or from a Building or Lot, or for purposes of loading or unloading, for a period not to exceed twenty-four (24) hours. Notwithstanding the preceding sentence, upon prior written approval of the Committee, a recreational vehicle owned by an Owner's visitor or guest may be parked on the Owner's Lot or an adjacent street or drive for a period not to exceed seventy-two (72) hours.

(v) No trailers of any kind shall be allowed on any portion of the Project except while directly engaged in transport to or from a Building or Lot.

(vi) No abandoned or inoperative vehicles of any kind shall be parked or stored on any portion of the Project, except in an approved garage or out-building. An "abandoned or inoperative vehicle" shall be defined as any vehicle which has not been driven under its own propulsion for a period of three (3) days or longer; provided, however, that this definition will not include vehicles properly parked by Owners while on vacation or traveling. The Master Association may cause a written notice describing the "abandoned or inoperative vehicle" and requesting removal thereof to be served on the Owner in possession of the vehicle or Lot on which the vehicle is located, or posted on the vehicle itself. If the vehicle shall not have been removed within twenty-four (24) hours after service or posting of that notice, the Master Association shall have the right to enter the Lot, if necessary, and to remove the vehicle from the Project and store the vehicle off-site without any liability to the Master Association. Any costs and expenses, including reasonable attorney's fees, incurred by the Master Association, in connection with service or posting of any notice, or removal, transportation and storage of any "abandoned or inoperative vehicle" under this Section shall be borne by the Owner as provided in Section 7.8.

7.6.7 Storage. No Lot shall be used as storage or work space for rebuilding any motor or other vehicles described in Section 7.6.6, unless such repair or rebuilding is performed entirely within an approved garage with the door kept closed at all times (except under such circumstances in which a closed door would create a health or safety hazard); provided, however, that no vehicle under repair shall be permitted to become an unsightly article or nuisance. No Lot shall be used for the storage of explosives, gasoline or other volatile, inflammatory or incendiary materials or devices. Gasoline, oil, propane or other fuel used in the operation of a snow blower, lawnmower, barbecue grill or the like may be kept within an attached garage if stored in a safe manner in a container designed for the purpose of storing such materials, and which will prevent accidental spills and fires. The Owner shall be solely responsible for maintaining any fuel or other volatile substances in compliance with all applicable laws, any Rules and Regulations imposed by the Master Association and any requirements imposed by any underwriter of any insurance policy maintained by the Master Association.

7.6.8 Signs and Flags. Unless otherwise specifically approved by the Architectural Control Committee, no sign or flag or any kind shall be displayed to the public view on any Lot; provided, however, United States or Colorado flags of reasonable size not to exceed five (5) square feet may be displayed on or from a Residence. Any signs shall be solely for advertising the Residence for sale or indicating that the Residence has been "sold" for a period of not more than two weeks after closing. All such signs displayed during the development of Tanoa at Elk Meadow must be approved by Declarant prior to use by the Owner. Signs and flags used for sale, administration and directional purposes by Declarant and any Participating Builder during development of Tanoa at Elk Meadow will be permitted.

7.6.9 Single-Family Use Only. No Lot and no Residence on any Lot shall be used for any purpose other than for a single-family Residence. However, nothing in this Master Declaration shall prevent the rental of a Lot by the Owner thereof for residential purposes. No commune, co-operative or similar type living arrangement shall be permitted on any Lot.

7.6.10 Hazardous Activities. No activities shall be conducted on any Lot, Common Area or Licensed Property and no Improvements shall be constructed on any Lot, Common Area, or Licensed Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot and no open fires shall be lighted or permitted on any Lot, except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed fireplace.

7.6.11 Garage Sales. No garage, patio, porch or lawn sale shall be held on any Lot, except that the Owner of any Lot may conduct such sale if the items sold are only his own furniture and furnishings, not acquired for purposes of resale; if such sale is held at such time and in such manner as not to disturb any other resident of the area; and if such sale is held in full compliance with all applicable governmental ordinances, statutes, resolutions, rules and regulations, on an infrequent, occasional basis.

7.6.12 New Construction. All Dwelling Units shall be of new construction and no existing Dwelling Unit shall be moved onto any Lot. No other building (including but not limited to playhouses and storage sheds) may be moved onto a Lot without the prior written approval of the Architectural Control Committee without compliance with the restrictions set forth in Section 7.1 above.

7.6.13 Storage of Building Materials. No building materials shall be stored on any Lot except temporarily during continuous construction of an Improvement or its approved alteration or improvement.

7.6.14 Temporary Structures. No trailer, mobile home, tent or shack or other temporary building, improvement or structure shall be placed upon any property, except that temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained by Declarant, or

by an Owner with the prior approval of Architectural Control Committee, such approval to include the nature, size and location of such structure.

7.6.15 Basketball Hoops. Basketball hoops shall only be allowed if the backboard is affixed to the attached garage of the Residence and painted the same color as the Residence; or as otherwise approved by the Architectural Control Committee.

7.6.16 Livestock, Poultry, and Pets. No animals or pets other than domesticated dogs, cats, and other common household pets shall be allowed on the Property. Raising or keeping livestock such as horses, cows, sheep, goats, poultry, and the like is therefore prohibited. No Owner shall keep more than two (2) common household pets on any Lot at any time, provided that they are not kept, bred or maintained for any commercial purpose. All common household pets shall be allowed upon any Lot subject to any applicable ordinances imposed by any governmental entity having jurisdiction over the Project. All household pets shall be controlled by their owners at all times, and shall not be allowed off their owner's Lot except when properly leashed and accompanied by the pet owner or his representative. Each Owner of a Lot shall be financially responsible for any damage caused by a household pet kept on the Owner's Lot. The Master Association shall have the right to repair any damage caused by any such household pet, and the cost of any repairs shall be borne by the Owner as provided in Section 7.8. 18

7.6.17 Roofing. In single-family residential areas, all roofs shall be covered with good grade asphalt shingles or other similar high quality materials as specifically approved by the Committee.

7.6.18 Colors. All exterior painting or staining shall be of colors in harmony with the surrounding natural environment. In general, only those areas that were stained originally shall be restained; unpainted surfaces and unstained areas, such as brick or stone, shall not be painted or stained unless specifically approved by the Committee.

7.6.19 Windows. All windows shall have painted or stained wood or non-reflective metal frames and dividers. No reflective glass is permitted unless approved by the Architectural Control Committee.

7.6.20 Window Coverings. All windows shall be covered with curtains, drapes, blinds, or other acceptable coverings within no more than six (6) months after occupancy. Window coverings visible from the exterior shall be compatible with the architectural character of the Residence. Reflective shades or film type window coverings are specifically prohibited unless approved by the Architectural Control Committee.

7.6.21 Solar Panels. Any solar panels and related appurtenances and equipment, whether included in the original construction or added at a later date, shall be designed and constructed so as to appear as an integrated part of the building architecture. This shall generally mean that the panels shall be roof mounted so that the top surface is flush with the roof surface, with all appurtenances recessed into the structure's attic. When solar orientation prohibits this approach, the roof shall be altered so that the panels appear to be "built-in", i.e., shall not be visible. If panels are ground or wall mounted, they shall be integrated into the structure using compatible materials so that the panels appear as a natural extension of the house.

7.6.22 Firewood. Firewood shall be neatly stacked and shall be located within the confines of a screened enclosure such as a fence or wall, so as not to be visible from any adjacent Lots, rights-of-way, public or private thoroughfares, or Common Area.

7.6.23 Mechanical Equipment/Utilities. All utilities shall be installed underground. On-grade utility appurtenances, such as electrical transformers, utility meters, and the like, shall be screened using approved means. Mechanical equipment, such as air conditions, heating equipment, and the like, shall be installed as an integral part of the architecture

whenever possible. Under no circumstances shall these items be roof mounted or located in such a way that they are visible from neighboring properties or public streets.

7.6.24 Exterior Lighting. Exterior lighting shall not be directed in such a manner as to create an annoyance to adjoining properties. All exterior lighting fixtures shall, whenever possible, be recessed and provide diffused lighting for the illumination of walks and driveways, and the like. All exterior lighting fixtures shall be architecturally compatible with the Residence and subject to the approval of the Architectural Control Committee. High wattage area lighting ("yard lights") is prohibited. Illumination of roofs or features on roofs is prohibited.

7.8 Failure to Maintain. In the event that the Owner of a Lot shall fail to maintain the Lot and Improvements thereon in a manner consistent with the requirements of this Master Declaration or any Supplementary Master Declaration, the Architectural Control Committee or the Master Association, its Management Contractor, agents, contractors and employees shall have the right, in addition to any other remedies, to enter upon the Lot and to repair, maintain, and restore the Lot, the exterior of the Residence, and any other improvements on the Lot in the manner contemplated by this Master Declaration and any Supplementary Master Declaration. The cost of such maintenance, repair, and restoration shall be the responsibility of the Owner and shall be added to and become a part of the annual assessments applicable to the Lot.

## VIII. ARCHITECTURAL CONTROL COMMITTEE

### 8.1 Membership.

8.1.1 The Board of Directors may appoint an Architectural Control Committee (hereinafter referred to as the "Committee") which may be composed of three (3) or more members. In the event no such appointment is made, then the Board of Directors shall constitute the Architectural Control Committee and shall have all of the duties and responsibilities of the Committee as set forth herein.

8.1.2 In the event of death, disability, or resignation of any member of the Committee, the Board of Directors shall have authority to designate a successor or successors.

8.1.3 An affidavit executed by a majority of the members of the Committee, and recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado, or maintained in the Master Association's records shall be sufficient evidence of the membership and of the other recitals therein contained.

8.2 Evidence of Action. The Committee's approval or disapproval as required in this Master Declaration shall be in writing, as indicated by the signatures of a majority of the Committee or its designated representatives. The Committee shall not be required to maintain records of plans submitted. Approval by the Committee shall be conclusive evidence of compliance with this Master Declaration, provided that Improvements are constructed in substantial compliance with the plans as approved. The Committee shall exercise its best efforts to approve or disapprove plans submitted to it within sixty (60) days after submission. In the event the Committee fails to approve or disapprove a proposal within ninety (90) days after plans and specifications have been submitted to it by hand delivery against a written receipt or by mailing, certified mail, first-class postage prepaid, return receipt requested to the Committee at the address designated by the Association, or, in any event, if no suit to enjoin the proposed construction has been commenced within one (1) year after the proposed construction had begun and became apparent, such approval will not be required, and the related covenants shall be deemed to have been complied with fully.

8.3 Duties. The Committee shall act upon and approve or disapprove any and all matters to be submitted to the Committee pursuant to any of the provisions of this Master Declaration and shall have all duties and powers as are hereinafter provided and set forth. The Committee may, in its sole discretion, employ a licensed architect and/or registered professional engineer to review plans and specifications submitted to the Committee and make

recommendations to the Committee with regard to the Committee's decision to approve or disapprove any submission or to perform any inspections of any work in progress or after completion as provided in Section 8.6. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed, nor shall the Committee or any member thereof be liable, in any manner, for any action or failure to act done in good faith arising out of their service on the Committee.

#### 8.4 Approval of Plans.

8.4.1 All plans and specifications in connection with the construction (which is commenced on or after the effective date of this Master Declaration) of any Improvements, including but not limited to any Dwelling Unit, swimming pool, ancillary structure, exterior lighting, machinery, solar panel or installation, deck, patio, patio enclosure, wall, driveway, out-building, or other structure, and in connection with any grading, landscaping or gardening of any portion of the Lot, including without limitation, the removal or planting of any trees, shrubs or other vegetation, exterior maintenance and remodeling of any Dwelling Unit or other structure, including, but not limited to, changing the initial color or exterior materials of the Dwelling Unit, or any other Lot Improvements or appurtenances, such as mailboxes, or any alteration of any of the above described improvements to a Lot shall be submitted to the Committee or its designated representative for its prior written approval. 20

8.4.2 Before any construction or alteration begins, plans and specifications showing the nature, kind, shape, height, materials, and location, the exterior design the exterior materials to be used, the color scheme, the site plan, a topographic survey, the location of the driveway and sidewalks and plans for the proper landscaping and drainage of the Lot with respect to adjacent Lots must be submitted to the Committee for its prior written approval.

8.4.3 The Committee shall determine in its sole discretion whether to approve any plans submitted to it for review. In passing upon such plans, specifications and other requirements, the Committee may take into consideration whether the proposed Residence or other structure or alteration and the materials of which it is to be built are reasonable and suitable for the Lot upon which the Residence or other structure or alteration is to be erected, the harmony thereof with the surroundings, and the effect of the Residence or other structure or alteration as planned on the outlook from and/or property values of adjacent or neighboring property.

8.4.4 No Residence, wall, driveway, landscaping, structure or alteration of any kind, including, but not limited to, those specifically described in this Article VIII, which has not received such prior written approval by the Committee and which does not fully comply with such approved plans and specifications, shall be erected, constructed, placed, or maintained upon any Lot. No changes or deviations in and from such plans and specifications as so approved shall be made without the prior written consent of the Committee. The Committee shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications.

8.4.5 In passing upon such plans, specifications, and other requirements, the Committee may, in the exercise of its sole discretion, apply the pertinent requirements and considerations set forth in the covenants and restrictions set forth in this Master Declaration or any Supplementary Master Declaration or any additional Design Guidelines promulgated by the Architectural Control Committee for the Project as a whole or any particular Plat, or phase of the Property, and the reasonable discretion of the Architectural Control Committee.

#### 8.5 Contractor Suitability.

8.5.1 No contractor (including an Owner acting as a contractor) shall perform any work on any Lot, including without limitation, any construction, repair or modification of any Improvement, grading, landscaping or gardening, or the construction, repair or modification of any structure of any kind on a Lot ("Work") without the prior approval of the Architectural



Control Committee. No Owner shall commence any Work or permit any contractor to commence any Work unless and until the Committee has approved the contractor as provided in this Section. The Committee may require any Owner to submit one or more contractors for approval at the time the Owner submits the plans and specifications for the Work to the Committee for its prior approval as provided in Section 8.4.

8.5.2 The Architectural Control Committee shall have the right, in its sole discretion, which may be exercised prior to or after the commencement of any Work on any Lot, to disapprove the selection by any Owner of a contractor (including an Owner acting as a contractor) for the construction, repair or modification of any Improvement, grading, landscaping or gardening, or the construction, repair or modification of any other structure of any kind on any Lot, including any contractor previously approved by the Committee. The Committee may exercise its right to disapprove any contractor based upon any of the following grounds: (1) a belief that the contractor is not financially responsible; (2) the contractor's failure to comply with approved plans and specifications in work previously performed on any Lot or the Properties; or (3) that the contractor cannot complete the construction or other work requested by the Owner in accordance with the standards imposed by the Committee. The Committee shall have no duty to investigate any facts supporting its decision to disapprove any contractor, including without limitation the contractor's financial responsibility, the contractor's past performance or the contractor's present undertakings. In the event the Committee disapproves a contractor after it has begun work, the Master Association shall have the right to contract for the completion of the work at the Owner's expense. Any costs or expenses incurred by the Association shall be borne by the Owner as provided in Section 7.8. Neither the Association, the Committee nor its members shall be liable to any Owner, contractor or any person for any damages or costs incurred with respect to or as a result of the Committee's decision to disapprove any contractor under this Section.

#### 8.6 Approval of Contractor; Inspection of Work.

8.6.1 No Owner or contractor shall commence construction of any improvement, excavation, grading, landscaping, gardening or construction of any structure, Building or Improvement of any kind to be located on any Lot ("Work"), until the Architectural Control Committee has approved the plans and/or specifications therefor and the Owner has provided the Committee with a valid building or other permit, if required, issued by any governmental agency having jurisdiction over the Project. No contractor shall commence any work on any Lot unless and until the Committee has approved the contractor as provided in Section 8.5.

8.6.2 In addition to all restrictions imposed on any Work, all utility connections on any Lot must be approved by the Committee prior to installation.

8.6.3 The Committee shall have the right to inspect any Work done by an Owner or contractor at any time during the period the Work is being performed or after the work has been completed to ensure that the Work complies with the plans approved by the Committee. If the Committee determines, in its sole discretion, that the Work is not being performed in accordance with the approved plans and/or specifications, the Committee shall have the right to require the contractor, or the Owner as the case may be, to immediately terminate all work being performed upon the Lot. The Committee may enforce the provisions of this Section by means of an appropriate action to enjoin the violation of this Master Declaration as provided in Section 5.7.

8.6.4 Upon completion of any Work, the Owner shall, to the greatest extent possible, restore the Lot to the condition which existed prior to the commencement of such Work (taking into account the Work itself) so that the Lot and any Improvements or other structures on the Lot shall be, to the greatest extent possible, in harmony with the surrounding natural environment. If a Certificate of Occupancy is issued with respect to the Work prior to September 15 of any calendar year, the Owner shall complete the restoration within forty-five (45) days after the date of issuance of that Certificate of Occupancy or actual occupancy of the Lot, whichever first occurs. If a Certificate of Occupancy is issued or actual occupancy of the

Lot takes place after September 15 of any calendar year, the Owner shall complete the restoration of the Lot prior to June 1 of the following year. In the event the restoration is not complete as and when required, the Master Association shall have the right to complete the restoration of the Lot at the Owner's expense. Any costs and expenses incurred by the Master Association shall be borne by the Owner as provided in Section 7.8.

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8.7 Reserved Right of Declarant. Notwithstanding the above provisions, and until Declarant has conveyed its last Lot to a purchaser, Declarant shall have the right, and the right is hereby specifically reserved unto Declarant, to appoint the members of such Architectural Control Committee and to fill any vacancies therein created. (This Section supersedes the authority granted in Section 8.1 above.)

8.8 Binding Agreement to Pay Legal Costs. In the event that an Owner shall dispute the determination of the Architectural Control Committee and files a lawsuit to overrule, vacate or otherwise mitigate the effect of any determination of the Committee, or if an Owner fails to submit for approval any action as required by Section 8.4 and the Committee any Owner, or the Master Association brings an action to enforce these provisions, then the Owner and the Master Association are hereby bound to the agreement that any and all costs, including reasonable attorney's fees, associated with the institution and defense of such a suit, shall, to the extent permitted by a court of competent jurisdiction, be paid to the prevailing party by the losing party.

8.9 Variance. The Architectural Control Committee may, in its sole discretion, grant reasonable variances or adjustments from any conditions or restrictions imposed by this Master Declaration. A variance or adjustment shall only be granted if it is not material, detrimental or injurious to the other property or improvements to the neighborhood, and shall not defeat the general intent and purpose of this Master Declaration. Any variance granted by the Architectural Control Committee shall not affect or negate the requirements of any other applicable authorities.

8.10 Minor Violations of Setback Requirements. Upon erection of any Dwelling Unit upon any of the Lots which are subject to the restrictions imposed by this Master Declaration, if it is disclosed by survey that a minor violation and infringement of setback lines imposed by any Supplementary Master Declaration has occurred, such violation and infringement shall be deemed waived by the Owners of the Lots immediately adjoining the Lot upon which the violation and infringement occurs, and such waivers shall be binding upon all other Owners who are subject to this Master Declaration. Nothing herein contained shall prevent the maintenance of suit for any other violation of the restrictions contained in this Master Declaration. A "minor violation" for the purpose of this Section is a violation of not more than thirty (30) inches beyond required setback lines or Lot lines. This provision shall only apply to the original structures and shall not be applicable to any alterations or repairs to such structures.

8.11 Fees. At the time of submission of plans for a new Residence on a Lot, the Owner shall pay a review fee to the Architectural Control Committee of Three Hundred Dollars (\$300.00) per Lot. Any plans for swimming pools, decks, or other matters, such as landscaping, painting, roofing, and the like, shall require a review fee of Twenty-Five Dollars (\$25.00) to be paid at plan submission. If the Committee elects to employ the services of an architect or engineer to inspect any work performed by an Owner, the Owner shall pay to the Committee a fee of One Hundred Dollars (\$100.00) per inspection. Any inspection fees shall be nonrefundable. Any review fees paid to the Committee shall be nonrefundable, in whole or in part, irrespective of whether the submitted plans are approved or the Owner's application is withdrawn. If an Owner resubmits plans which have been either withdrawn by the Owner twice or disapproved by the Committee twice, the Owner shall pay a resubmittal review fee with the third resubmittal of plans in the amount of the initial review fee. The fees set forth in this paragraph may be increased by the Master Association at any time to cover cost of living increases as measured by the Consumer Price Index after January 1, 1994.

8.12 No review. The following types of changes, additions, or alterations do not require the approval of the Architectural Control Committee. Although exempt from Committee review, all work must proceed in accord with all applicable law, codes, and regulations, and the provisions of this Master Declaration.

8.12.1 Addition of plants to a property in accordance with a previously approved landscape plan.

8.12.2 Modifications to the interior of a Residence when those modifications do not unduly affect the outside appearance of the structure.

8.12.3 Repainting or restaining of the exterior of the Residence in original color.

8.12.4 Repairs to a structure in accordance with previously approved plans and specifications.

8.12.5 Reroofing with roofing materials of the same quality (or better) and color as original materials.

8.12.6 Seasonal decorations if removed promptly (within fifteen (15) days following the holiday).

IX. INSURANCE

9.1 Comprehensive General Liability and Property Insurance. Comprehensive general liability and property damage insurance shall be purchased by the Board of Directors and shall be maintained in force at all times, the premiums thereon to be paid by the Master Association as a Common Expense. If Declarant pays the premium, it shall be entitled to reimbursement from the Master Association. The insurance shall be carried with reputable companies authorized to do business in the State of Colorado, in such amounts as the Board may determine; the insurance carrier should have a current rating by Best's Insurance Reports of VI or better, or a financial rating of Class VI and a general policyholder's rating of at least A. If the insurer does not meet this rating requirement, the insurer must be reinsured by a company that does have a current rating by Best's Insurance Reports of VI or better.

9.1.1 A policy of comprehensive general liability insurance shall be in force for a minimum amount of One Million Dollars (\$1,000,000.00) per occurrence, covering all claims for bodily injury and/or property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobiles, liability for property of others, and, if applicable, host liquor liability and other risks which are customarily covered with projects similar in construction, location, and use. The policy or policies shall name as insureds all of the Owners, the Master Association, each member of the Board of Directors, the Management Contractor, and their respective agents and employees. Declarant shall be named as an additional insured on such policy or policies until such time as Declarant shall have conveyed all the Lots in the Project. The policy or policies shall insure against loss arising from perils in the Common Area and in any other areas which the Master Association has a maintenance responsibility and shall include contractual liability coverage to protect against such liabilities as may arise under the contractual exposures of the Master Association or the Board of Directors.

9.1.2 The policy or policies shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying a claim of an Owner or the Master Association because of negligent acts of the Master Association or other Owners.

9.2 Fire and Hazard Insurance. Fire and hazard insurance shall be purchased by the Board of Directors and shall thereafter be maintained in force at all times, the premiums thereon to be paid by the Master Association as a Common Expense, such policy to cover all Common Area Improvements. The policy or policies shall be of a master or blanket type with a standard

all risk endorsement, and insure against loss from perils therein including broad form coverage on all of the Improvements in the Common Area, except such as may be separately insured, and except land, foundation, excavation and other items normally excluded from coverage. Such policy or policies shall contain extended coverage, vandalism, and malicious mischief endorsements. The Improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insureds the Master Association and Declarant. The policy or policies shall also cover personal property owned by the Master Association or in common by the Owners, their tenants, invitees or agents, and shall further contain a waiver of subrogation rights by the carrier as to negligent Owners. If Declarant pays the premium for the policy or policies, it shall be entitled to reimbursement from the Master Association. The insurance shall be carried with reputable companies authorized to do business in the State of Colorado, in such amounts as the Board may determine. The insurance carrier should have a current rating by Best's Insurance Reports of VI or better or a financial rating of Class VI and a general policyholder's rating of at least A. If the insurer does not meet this rating requirement, the insurer must be reinsured by a company that does have a current rating by Best's Insurance reports of VI or better.

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9.3 No Individual Fire Insurance on Common Area. The blanket policy or policies to be carried by the Master Association and referenced under Section 9.2 above must provide that it is primary over any policy or policies separately carried by an individual Lot Owner and that the proceeds of the individual policy or policies carried by such Owner shall only be used to the extent that the proceeds of the insurance carried by the Master Association are insufficient to cover any losses to the Common Area.

9.4 Owner's Personal Liability and Property Insurance. An Owner may carry such property, fire and personal liability insurance as such Owner may desire. It is understood that the Master Association policies described herein will provide no insurance coverage for the Lots or the improvements situate thereon.

9.5 Fidelity Insurance Coverage. The Master Association shall provide for fidelity coverage against dishonest acts on the part of the Officers, Directors, Management Contractors, employees or volunteers responsible for handling funds belonging to or administered by the Master Association. The fidelity bond or insurance must name the Master Association as the named insured and shall be written in an amount sufficient to provide protection, which is in no event less than one and one-half (1.5) times the insured's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any person or persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

9.6 Other Insurance. The Board of Directors may purchase and maintain in force as a Common Expense, debris removal insurance, plate or other glass insurance, fidelity bonds, and other insurance or bonds that it deems necessary. The Board shall purchase and maintain worker's compensation and unemployment insurance to the extent that the same shall be required by law respecting employees of the Master Association. Notwithstanding any other provisions herein, the Master Association shall continuously maintain in effect such casualty, flood and liability insurance, and a fidelity bond, meeting the insurance and fidelity bond requirements for such project established by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and Government National Mortgage Association, so long as any are a Mortgagee or Owner of a Lot within the Properties, except to the extent such coverage is not available or has been waived in writing by either or all of the above.

9.7 Attorney in Fact. The Master Association is hereby appointed the attorney in fact for all Owners to negotiate loss adjustment on the policy or policies carried by the Master Association under this Article IX.

9.8 Proceeds. The Master Association shall receive the proceeds of any casualty insurance payments received on the policies obtained and maintained pursuant to this Article. To the extent that repairs and reconstruction are required herein and there is a determination that the Properties shall not be rebuilt, the proceeds shall be distributed in the manner provided in Article X regarding casualty, damage or destruction.

9.9 Notice of Cancellation or Modification. The policy and/or policies required by Sections 9.1, 9.2 and 9.5 must provide that they cannot be cancelled or substantially modified, by any party, without at least ten (10) days prior written notice to the Master Association, and to each holder of a First Mortgage which has requested in writing that it be listed as a scheduled holder of a First Mortgage in the insurance policy.

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9.10 Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors to ascertain whether the coverages contained in the policies are sufficient for the upcoming year, whether any necessary repairs or replacements of the property which occurred in the preceding year were covered by insurance, and that all possible insurance claims have been filed.

9.11 Deductibles. No insurance policy applicable to either fire or extended coverage shall contain a deductible clause which exceeds the greater of:

- (i) Five Hundred Dollars (\$500.00); or
- (ii) One percent (1%) of the face amount of the policy.

If an Owner, who by negligent or willful act, causes damage to the Common Area or other Properties which are insured as a Common Expense, then the Owner shall bear the whole cost of the deductible required in the blanket insurance policy for the Master Association on the Common Area and other such Properties. An Owner shall be responsible for any action of members of his family, his tenants or his guests which cause damage to the Common Area or other Properties.

9.12 Directors' and Officers' Liability Insurance. If available at a reasonable cost, the Master Association shall obtain and maintain adequate liability coverage to protect against any negligent act upon the part of the Directors or Officers of the Master Association.

9.13 Waivers. All such policies of insurance shall contain waivers of subrogation and waivers of any defense based on an invalidity arising out of the acts of a Member of the Master Association.

## X. CASUALTY

10.1 Master Association As Agent and Attorney In Fact. All of the owners irrevocably constitute and appoint the Master Association as their true and lawful agent and attorney in fact in their name, place and stead for the purposes of dealing with the Property upon its damage, destruction, obsolescence and/or condemnation as hereinafter provided. Acceptance by any grantee of a deed from Declarant or from any Owner shall constitute appointment of the Master Association as agent and attorney in fact as herein provided.

10.2 General Authority of Master Association. As attorney in fact, the Master Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the Common Area Improvements as used in this Article means restoring Project to substantially the same condition in which it existed prior to damage. Notwithstanding the provisions of Section 4.6 above, the proceeds of any insurance collected shall be used by the Master Association for the purpose of repair or reconstruction unless Owners, to which at least eighty percent (80%) of the votes are allocated, including all of the Owners of Lots which will

not be rebuilt, and sixty-seven percent (67%) of the First Mortgagees agree not to rebuild in accordance with the provisions set forth in this Article.

10.3 Notices and Cost Estimates. As soon as practical after an event causing damage to, or destruction of any part of the Common Area, the Master Association shall immediately obtain estimates that it deems reliable of the cost of repair or reconstruction of that part of the Project damaged or destroyed.

10.4 Insurance Proceeds Sufficient to Repair. In the event that proceeds from insurance coverage are sufficient to cover the cost of repair or construction after a casualty pursuant to the estimate of costs obtained by the Master Association, then such repair or reconstruction shall be promptly performed by the Master Association as attorney in fact for the Owners pursuant to this Article.

10.5 Insurance Proceeds Insufficient to Repair. If the insurance proceeds are insufficient to repair or reconstruct the damage or destroyed Common Area or Common Area Improvements, such damage shall be repaired as promptly as possible by the Master Association and any costs of such repair or reconstruction in excess of insurance proceeds available shall be assessed against all Owners as a Common Expense pursuant to Article VI.

## XI. CONDEMNATION

11.1 Consequences of Condemnation. At any time during the continuance of the Ownership pursuant to this Master Declaration, if all or any part of the Common Area shall be taken, or condemned by any public authority, or sold, or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Article XI shall apply.

11.2 Proceeds and Notice. Subject to the Master Association's compliance with C.R.S. § 38-33.3-107, all compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award" shall be payable to the Master Association; provided, however, that the Master Association shall provide timely notice of such condemnation proceeding or condemning authority acquisition to all Owners and First Mortgagees of record of Dwelling Units within the Project who request such notice.

## XII. GENERAL RESERVATIONS

12.1 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves the right to establish from time to time, by dedication or otherwise, utility (including cable television) and other easements, for purposes including but not limited to streets, paths, walkways, drainable recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions and exclusions consistent with the ownership of the Properties for the best interest of all Owners and the Master Association in order to serve all the Owners within the Project. The rights herein reserved unto Declarant shall continue until Declarant no longer retains an interest in the Project, or twenty (20) years after the effective date of this Master Declaration, whichever occurs first.

12.2 Rights of Declarant and Participating Builders Incident to Construction. An easement is hereby retained by and granted to Declarant and any Participating Builder for access, ingress, and egress over, in, upon, under, and across the Project, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's or any such Participating Builder's construction on the Properties; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, his family members, guests, or invitees, to or of that Owner's Lot.

12.3 Supplements. Declarant shall have the absolute right, but not the obligation, and the same is reserved unto Declarant to be exercised within twenty (20) years after the effective date hereof, to subject any portion of the Properties to a Supplementary Master Declaration

providing additional covenants, conditions and restrictions applicable only to the property described in such Supplementary Master Declaration. Declarant shall cause any Supplementary Master Declaration to be recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado, prior to the conveyance to a purchaser other than Declarant of the first Lot located within the property described in such Supplementary Master Declaration.

Declarant may prepare any Supplementary Master Declaration with respect to a portion of the Project to property being annexed into the Project as provided in Article XIII of this Master Declaration. Any such Supplementary Master Declaration shall include a description of the property to which it is subject, along with the terms and provisions of any additional covenants, conditions and restrictions applicable only to such property. The Supplementary Master Declaration shall be effective upon recording the same in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado.

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### XIII. ENLARGEMENT OF PROJECT (ANNEXATION)

#### 13.1 Special Rights Reserved to Declarant: Enlargement of Project.

13.1.1 Declarant shall have the absolute right, but not the obligation, and same is hereby specifically reserved unto Declarant to be exercised within twenty (20) years after the effective date of this Master Declaration, to annex to the land and Improvements described in this Master Declaration and to the Plat herein referred to, and thereby to submit to each and every provision of this Master Declaration the land described on Exhibit C, attached hereto and incorporated herein by this reference, or any portions thereof as further referenced hereunder, together with the Improvements to be constructed thereon as further referenced herein. It is the intention of Declarant that the lands described on Exhibit C may be annexed to the land covered by this Master Declaration by additional phases. Such phases may be added by Declarant either in the aggregate or on a phase by phase basis, by a portion of a phase, or any combination thereof, with the result being that this Project may be increased up to a maximum number of one hundred sixty (160) Lots, or such lesser number of Lots as may be reflective of the Declarant's decision to add either no additional phases or such lesser number of phases desired.

13.1.2 Any such expansion or annexation as herein reserved unto Declarant shall be accomplished by the recording of a Supplementary Master Declaration and Supplementary Map, and such documents shall be recorded in the records of the Office of the Clerk and Recorder of Jefferson County, Colorado. Any property annexed into the Project may be subject to additional restrictions, covenants and conditions which are described in the Supplementary Master Declaration; provided, however, that no property other than that described in the Supplementary Master Declaration shall be subject to the additional covenants, conditions and restrictions contained in that Supplemental Master Declaration without an amendment to this Master Declaration approved as provided in Article XV.

13.1.3 There is hereby reserved unto Declarant the irrevocable power of attorney, coupled with an interest, to execute, acknowledge, and deliver such further instruments and to do such further acts and/or things as may be from time to time required in order to accomplish the purposes of this Article XIII, including the right, if necessary, to amend the Articles of Incorporation or By-Laws, and to act on behalf of the Master Association to obtain such accomplishment. Each Owner and each and every Mortgagee of a Lot in the Project shall be deemed to have acquiesced to the supplements to this Master Declaration and to any required supplements to the Plat for the purpose of adding additional Lots and Common Area to the Project in the manner set forth in this Article XIII, and shall be deemed to have granted unto Declarant an irrevocable power of attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such instruments, if any, and to do such other acts and things as may be deemed necessary or desirable by Declarant, its successors or assigns, to properly accomplish the supplements contemplated by this Article XIII. Such supplements shall contain at least the following information:

13.1.4 A legal description of the particular phase being annexed, including a proper legal description of the Lots and the Common Area located therein;

13.1.5 A statement that the lands are being annexed pursuant to the particular provisions of Article XIII hereof; and

13.1.6 A further statement to the effect that the phase, when annexed, shall be deemed to be included within the Project covered by this Master Declaration and, thereby, subject to all of the terms, provisions, covenants, conditions, reservations, charges, and liens, including assessments, applicable hereunder as well as expressly subject to all of the provisions of the Articles of Incorporation and the By-Laws of the Master Association referenced hereunder.

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13.2 Assessments and Voting Rights. On the date of recordation of any annexation by supplement to this Master Declaration, the assessment responsibility indicated in Section 6.1 and the voting rights outlined in Section 4.3, appurtenant to the annexed Lots, shall become effective.

13.3 Future Improvements. All future Improvements to the Project shall be consistent with initial Improvements in terms of quality of construction.

#### XIV. PRE-EXISTING RESERVATIONS, RESTRICTIONS, EASEMENTS AND COVENANTS

The property was subject to the following reservations, restrictions, conditions, exceptions, easements and covenants at the time of the recordation of this Master Declaration:

14.1 Jefferson County. Any restrictions in the use of property created by plats or zoning ordinances approved or adopted by Jefferson County, Colorado.

14.2 Other Recorded Documents. Any other reservations, restrictions, conditions, exceptions, easements and covenants not enumerated under this Master Declaration or the Master Association Articles of Incorporation or By-Laws, but which exist of record at the time of the recordation of this Master Declaration.

#### XV. REVOCATION OR AMENDMENT OF MASTER DECLARATION

15.1 Revocation. Except as provided specifically elsewhere herein, this Master Declaration shall not be revoked unless the Owners of Lots to which sixty-seven percent (67%) of the votes in the Master Association are allocated and sixty-seven percent (67%) of the registered First Mortgagees consent and agree to such revocation by instrument(s) duly recorded.

15.2 Duration and Amendment. The covenants and restrictions of this Master Declaration shall run with and bind the Properties for a term of forty (40) years from the date this Master Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Subject to any provision in Section 4.6 above, this Master Declaration shall not be amended, except as otherwise herein provided, without the consent of Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Master Association are allocated, and approval of sixty-seven percent (67%) of the First Mortgagees. Such amendment may be evidence by either a recorded instrument indicating such consent or by a recorded certificate of the Secretary of the Master Association certifying that at a meeting of the Owners, duly called at which a quorum was presented, the Owners of Lots, to which sixty-seven (67%) of the votes in the Master Association are allocated, consented to the Amendment, and that sixty-seven percent (67%) of the First Mortgagees have given approval (as provided in Section 16.8 below) to the Amendment, unless a higher percentage is required for such consent and approval by Section 4.6 above, in which case the certificate shall reflect



the higher percentage, and that copies of such written consent and approval are in the corporate records of the Master Association.

15.3 Amendments to Conform to VA, FHA, FNMA or FHLMC Requirements. Notwithstanding any provision in this Master Declaration to the contrary, Declarant reserves the right, until Declarant no longer owns an interest in the Project or twenty (20) years after the effective date of this Master Declaration, whichever occurs first, to unilaterally amend this Master Declaration in order to comply with the requirements of the Veteran's Administration, Federal Housing Administration, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation. Such amendment shall not require the vote or consent of Owners in the Project.

15.4 Technical Amendments. Declarant hereby reserves and is granted the right and power to record technical amendments to this Master Declaration at any time prior to the termination of the Declarant's reserved right to appoint the Board of Directors of the Master Association for the purposes of correcting spelling, grammar, dates or as is otherwise necessary to clarify the meaning of the provisions of this Master Declaration.

## XVI. MISCELLANEOUS PROVISIONS

16.1 Mailing Address. Each Owner and First Mortgagee shall register his or its mailing address with the Master Association, and all notices, demands and statements shall be sent by regular United States Mail, first-class postage prepaid, addressed in the name of the Owner or First Mortgagee at such registered mailing address. All notices to Declarant shall be sent by certified mail, first-class postage prepaid, return receipt requested, to the following address:

DECLARANT:

EVERGREEN VENTURES  
Suite A100  
7353 South Alton Way  
Englewood, Colorado 80112

until such address is changed by notice of address change given to the Master Association.

16.2 Compliance with Provisions. Each Owner shall comply strictly with the provisions of this Master Declaration, the Articles of Incorporation, By-Laws, Rules and Regulations, resolutions, and contracts of the Master Association as the same may from time to time be in force and effect. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief or both, together with reasonable attorney fees, court costs, and injunction bond premiums maintainable by the Board of Directors, or the Management Contractor, on behalf of the Owners, or by any Owner.

16.3 Severability. If any of the provisions of this Master Declaration or any paragraph, sentence, clause, phrase, word or section or the application thereof in any circumstances is invalidated, such invalidity shall not affect the validity of the remainder of this Master Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase, word, or section in any other circumstances shall not be affected thereby.

16.4 Terminology. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural and the singular; and the use of any gender shall include all genders.

16.5 State Law. The provisions of this Master Declaration shall be in addition and supplemental to all laws of the State of Colorado.

16.6 Declarant's Rights Transferable. Any right or interest of Declarant hereunder, established or reserved, may be transferred or assigned by Declarant either separately, or with

one or more of such rights or interest, to any person or entity without the consent of the Owners, the Master Association, or any First Mortgagee.

16.7 Registration of First Mortgagees. Whenever this Master Declaration permits or requires that a First Mortgagee receive notice, such requirement of notice shall be waived if the First Mortgagee has failed to register its name and proper address with the Master Association for the purpose of such notices as provided in Section 16.1. The Master Association shall maintain as part of its books and records a list of the First Mortgagees who have registered in order to receive any notices which are permitted or required to be given to First Mortgagees under this Master Declaration.

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16.8 Approval by First Mortgagees. Whenever this Master Declaration requires the approval of First Mortgagees, only those First Mortgagees who have registered as provided under Section 16.7 need be included in the request for approval and in any determination of whether the applicable percentage of First Mortgagees have approved any intended action. Any First Mortgagee registered as provided under Section 16.7 and mailed a request for approval, but who fails to respond within thirty (30) days to a request for approval, will be deemed to have approved the intended action.

16.9 Conflict. In the event of any conflict between the use restrictions imposed in this Master Declaration and any use restriction or regulation imposed by any governmental agency having jurisdiction over the Properties, the more stringent use restrictions shall control. In the event of any conflict between the Articles of Incorporation and the By-Laws, the Articles shall control; in case of any conflict between this Master Declaration and the By-Laws, the Master Declaration shall control; in case of any conflict between the Articles and this Master Declaration, this Master Declaration shall control; and in case of any conflict between this Master Declaration and the Act, the Act shall control.

DATED this 11th day of February, 1994.

DECLARANT:

EVERGREEN VENTURES, a Colorado joint venture

BY: E2X CORPORATION, a Colorado corporation, joint venturer

ATTEST:

BY: [Signature]  
Secretary

BY: [Signature]  
President

STATE OF COLORADO )  
 ) ss.  
COUNTY OF La Plata )

The above and foregoing Master Declaration of Covenants, Conditions, and Restrictions for Tanoa at Elk Meadow was acknowledged before me this 11 day of February, 1994, by Christopher P. Elliott as President and Robin J. Eldridge as Secretary of E2X Corporation, a Colorado corporation, joint venturer of Evergreen Ventures, a Colorado joint venture.

My commission expires:

Witness my hand and official seal.

[Signature]  
Notary Public

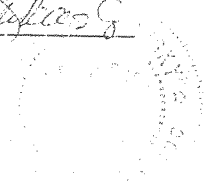


EXHIBIT A

31

DESCRIPTION:

A tract of land situated in portions of the southeast one-quarter (SE 1/4) of Section 32 and the southwest one-quarter (SW 1/4) of Section 33 being in Township 4 South, Range 71 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, and considering the north line of the NW 1/4 of the SE 1/4 of Section 32 N89°15'36"E with all bearings herein relative thereto. Said north line of the NW 1/4 of the SE 1/4 of Section 32 being marked by a 2" steel pipe at the center of Section 32 and a #4 rebar at the NE corner of the NW 1/4 of the SE 1/4 of Section 32. Tract of land being more particularly described as follows:

BEGINNING at the center of said Section 32;  
thence along the north line of the NW 1/4 of the SE 1/4 of said Section 32 N89°15'36"E, a distance of 983.31 feet to the NE corner of a Public Service Company Tract of land described in book 2916 at page 309 in the Jefferson County Records which is also the TRUE POINT OF BEGINNING;  
thence continuing along said north line of the NW 1/4 of the SE 1/4 of said Section 32 N89°15'36"E, a distance of 334.72 feet to the NE corner of the NW 1/4 of the SE 1/4 of said Section 32 marked by a #4 rebar with no cap;  
thence along the north line of the NE 1/4 of the SE 1/4 of said Section 32 N89°16'54"E, a distance of 630.15 feet to a point on the SW right-of-way line of Colorado State Highway #74;  
thence along said SW right-of-way line of Colorado State Highway #74 the following 2 courses and distances:  
1. S36°52'40"E, a distance of 360.46 feet;  
2. S37°51'38"E, a distance of 1990.49 feet;  
thence departing said west right-of-way line of Colorado State Highway #74 N74°25'38"W, a distance of 1807.90 feet;  
thence S88°39'47"W, a distance of 599.56 feet;  
thence N1°55'41"W, a distance of 410.49 feet;  
thence along a non-tangent curve to the left having a radius of 1120.27 feet, a central angle of 2°33'10", an arc length of 49.91 feet and whose chord bears S80°37'58"W, a distance of 49.91 feet; thence N0°04'20"E, a distance of 334.13 feet to the southeast corner of a tract of land conveyed to Public Service Company of Colorado as recorded in book 2916 at page 309 in the records of Jefferson County; thence continuing N0°04'20"E and along the east line of said Public Service Company of Colorado tract a distance of 639.99 feet to the northeast corner of said tract which lies on the north line of the NW 1/4 of the SE 1/4 of Section 32 which is also the TRUE POINT OF BEGINNING; described parcel contains 54.16 acres more or less.

Section 32;

thence along the south line of the SE 1/4 of the SE 1/4 of said Section 32, said line also being the northerly line of Palo Verde Park, a resurvey, recorded in plat book 71, at pages 13 and 14 in the Jefferson County Records, the following 3 courses and distances:

1. S89°24'51"W (S89°31'08"W), a distance of 846.09 feet to a point on the easterly right-of-way line of Overlook Trail as recorded under Reception No. 91082902 in the Jefferson County Records;
2. S89°24'51"W (S89°31'08"W), a distance of 91.62 feet to a point on the westerly right-of-way line of said Overlook Trail;
3. S89°24'51"W (S89°31'08"W), a distance of 383.25 feet to the southwest corner of the SE 1/4 of the SE 1/4 of said Section 32;

thence along the south line of the SW 1/4 of the SE 1/4 of said Section 32, said line also being the northerly line of Tract A of El Pinal Acres - 1st Filing, recorded in plat book 30 at page 52 in the Jefferson County Records, the following 3 courses and distances:

1. S89°21'16"W (S89°22'W), a distance of 112.60 (113.32) feet to a point on the easterly right-of-way line of Quarter Horse Road as recorded in plat book 30 at page 52 in the Jefferson County Records;
2. S89°21'16"W, a distance of 67.50 feet to a point on the westerly right-of-way line of said Quarter Horse Road;
3. S89°21'16"W (S89°22'W), a distance of 1138.59 (1138.60) feet to the south 1/4 corner of said Section 32;

thence along the west line of the SW 1/4 of the SE 1/4 of said Section 32 the following 3 courses and distances:

1. N0°03'44"E, a distance of 733.70 feet to a point on the south right-of-way line of Stage Coach Boulevard as recorded in book 2123 at pages 151 in the Jefferson County Records;
  2. N0°03'44"E, a distance of 68.40 feet to a point on the north right-of-way line of said Stage Coach Boulevard;
  3. N0°03'44"E, a distance of 506.86 feet to the northwest corner of the SW 1/4 of the SE 1/4 of said Section 32;
- thence along the west line of the NW 1/4 of the SE 1/4 of said Section 32 N0°04'48"E, a distance of 1310.32 feet to the POINT OF BEGINNING; except the following:

1. All of Stage Coach Boulevard right-of-way lying within the SE 1/4 of Section 32 and the SW 1/4 of Section 33 as recorded in book 2123 at page 151, Jefferson County Records, comprising 5.31 acres.
2. All of Quarter Horse Road right-of-way lying within the SW 1/4 of the SE 1/4 of Section 32 as recorded in book 30 at page 52, Jefferson County Records, comprising 1.10 acres.
3. All of Overlook Trail right-of-way lying within the SE 1/4 of the SE 1/4 of Section 32 as recorded under reception no. 91082902 Jefferson County Records, comprising 1.90 acres.
4. All of Tanoa Road right-of-way lying within the SE 1/4 of Section 32 as recorded under reception no. 93197435, Jefferson County Records, comprising 1.38 acres.
5. Tanoa at Elk Meadow Filing No. 1 subdivision as recorded under reception no. 93197429, Jefferson County Records, comprising 54.16 acres.

Total area of Future Phases 108.79 acres, more or less.

3.

EXHIBIT B

32

LEGAL DESCRIPTION OF FUTURE PHASES:

A parcel of land comprising a portion of the SE 1/4 of Section 32 and a portion of the SW 1/4 of Section 33, Township 4 South, Range 71 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, being more particularly described as follows with the information in parentheses ( ) being recorded information:

BEGINNING at the center of Section 32 and considering the north line of the NW 1/4 of the SE 1/4 of said Section 32 to bear N89°15'36"E with all bearings herein relative thereto. Said north line of the NW 1/4 of the SE 1/4 of Section 32 being marked by a 2" steel pipe at said center of Section 32 and a pin and cap stamped L.S. 6735 at the northeast corner of the NW 1/4 of the SE 1/4 of said Section 32;

thence along said north line of the NW 1/4 of the SE 1/4 of Section 32 N89°15'36"E, a distance of 643.00 feet to the northwest corner of a tract of land conveyed to the Public Service Company of Colorado as recorded in book 2916 at page 309 in the Jefferson County Records;

thence along the boundary of said Public Service tract the following 3 courses and distances:

1. S0°04'20"W (S0°03'30"W), a distance of 639.98 (640.00) feet;
2. N89°15'44"E (N89°16'16"E), a distance of 340.31 (340.33) feet;
3. N0°04'20"E (N0°03'30"E), a distance of 639.99 (640.00) feet to a point on said north line of the NW 1/4 of the SE 1/4 of Section 32;

thence along said north line of the NW 1/4 of the SE 1/4 of Section 32 N89°15'36"E, a distance of 334.72 feet to the northeast corner of the NW 1/4 of the SE 1/4 of said Section 32; thence along the north line of the NE 1/4 of the SE 1/4 of said Section 32 N89°16'54"E, a distance of 630.15 feet to a point on the southwesterly right-of-way line of Colorado State Highway #74;

thence along said southwesterly right-of-way line of Colorado State Highway #74 the following 5 courses and distances:

1. S36°52'40"E, a distance of 360.46 feet;
2. S37°51'38"E, a distance of 2139.36 feet to the intersection of said southwesterly right-of-way line of Colorado State Highway #74 and the north right-of-way line of Stage Coach Boulevard as recorded in book 2123 at page 151 in the Jefferson County Records;
3. S40°07'03"E, a distance of 60.00 feet to the intersection of said southwesterly right-of-way line of Colorado State Highway #74 and the south right-of-way line of said Stage Coach Boulevard;
4. S39°55'23"E, a distance of 349.52 feet;
5. S41°27'00"E, a distance of 395.64 feet to a point on the south line of the SW 1/4 of Section 33;

thence along said south line of the SW 1/4 of Section 33 S88°49'39"W, a distance of 1365.54 feet to southeast corner of

EXHIBIT C

LEGAL DESCRIPTION OF PRIVATE ACCESS DRIVE:

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A private access drive located within Tanoa at Elk Meadow Filing No. 1, a subdivision located in the southeast one-quarter of Section 32 and the southwest one-quarter of Section 33 both being in Township 4 South, Range 71 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, said private access drive being more particularly described as follows:

BEGINNING at the southwest corner of Lot 9; thence along the west line of said Lot 9  $N0^{\circ}04'20''E$ , a distance of 12.58 feet; thence 12.50 feet north of and parallel with the common lot lines of Lots 7, 8, 9, 10 and 11 the following three courses and distances:

1.  $S83^{\circ}29'01''E$ , a distance of 250.73 feet;
2.  $S76^{\circ}11'18''E$ , a distance of 128.78 feet;
3.  $S53^{\circ}36'16''E$ , a distance of 63.93 feet to a point on the northwest right-of-way line of Elk View Drive;

thence along said northwest right-of-way line of Elk View Drive along a curve to the left having a radius of 45.00 feet, a central angle of  $32^{\circ}15'19''$ , an arc length of 25.33 feet, a tangent length of 13.01 feet and whose chord bears  $S36^{\circ}23'44''W$ , a distance of 25.00 feet to a point 12.50 feet south of the common lot lines of Lots 7, 8, 9, 10, and 11; thence 12.50 feet south of and parallel with said common lot lines of Lots 7, 8, 9, 10, and 11 the following three courses and distances:

1.  $N53^{\circ}36'16''W$ , a distance of 58.94 feet;
2.  $N76^{\circ}11'18''W$ , a distance of 122.20 feet;
3.  $N83^{\circ}29'01''W$ , a distance of 246.31 feet to a point on the west lot line of Lot 10;

thence along said west lot line of Lot 10  $N0^{\circ}04'20''E$ , a distance of 12.58 feet to the northwest corner of said Lot 10 which is also the southwest corner of Lot 9 and the POINT OF BEGINNING; contains 10,856 square feet, more or less.

LEGAL DESCRIPTION OF PRIVATE ACCESS DRIVE:

A private access drive located within Tanoa at Elk Meadow Filing No. 1, a subdivision located in the southeast one-quarter of Section 32 and the southwest one-quarter of Section 33 both being in Township 4 South, Range 71 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, said private access drive being more particularly described as follows:

BEGINNING at a point on the north right-of-way line of Tanoa Road, said point being 12.50 feet east of the common lot line of Lots 24 and 28;  
thence along said north right-of-way line of Tanoa Road along a curve to the left having a radius of 275.00 feet, a central angle of 5°12'38", an arc length of 25.01 feet, a tangent length of 12.51 feet and whose chord bears N86°14'43"W, a distance of 25.00 feet to a point 12.50 feet west of said common lot line of Lots 24 and 28;  
thence 12.50 feet west of and parallel with said common lot line of Lots 24 and 28 N3°45'17"E, a distance of 131.73 feet to a point 10.00 feet southwest of the common lot line of Lots 25 and 26;  
thence 10.00 feet southwest of and parallel with said common lot line of Lots 25 and 26 N53°40'52"W, a distance of 28.55 feet;  
thence N36°19'08"E, a distance of 20.00 feet to a point 10.00 feet northeast of the common lot line of said Lots 25 and 26;  
thence 10.00 feet northeast of and parallel with said common lot line of Lots 25 and 26 S53°40'52"E, a distance of 29.83 feet to a point 10.00 feet northwest of the common lot line of Lots 27 and 28;  
thence 10.00 feet northwest of and parallel with said common lot line of Lots 27 and 28 N55°02'48"E, a distance of 29.83 feet;  
thence S34°57'12"E, a distance of 20.00 feet to a point 10.00 feet southeast of said common lot line of Lots 27 and 28;  
thence 10.00 feet southeast of and parallel with said common lot lines of Lots 27 and 28 S55°02'48"W, a distance of 29.00 feet to a point 12.50 feet east of the common lot line of Lots 24 and 28;  
thence 12.50 feet east of and parallel with said common lot line of Lots 24 and 28 S3°45'17"W, a distance of 132.82 feet to a point on the north right-of-way line of Tanoa Road which is also the POINT OF BEGINNING;  
contains 4,670 square feet, more or less.

LEGAL DESCRIPTION OF PRIVATE ACCESS DRIVE:

A private access drive located within Tanoa at Elk Meadow Filing No. 1, a subdivision located in the southeast one-quarter of Section 32 and the southwest one-quarter of Section 33 both being in Township 4 South, Range 71 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, said private access drive being more particularly described as follows:

BEGINNING at the southeast corner of Lot 13 thence along the east lot line of Lot 13  $N6^{\circ}33'56''E$ , a distance of 12.505 feet;  
thence 12.50 feet north of and parallel with the common lot lines of Lots 13 and 21  $N85^{\circ}15'29''W$ , a distance of 162.83 feet to a point on the common lot line of Lots 13 and 14;  
thence along said common lot line of Lots 13 and 14  $N3^{\circ}06'37''W$ , a distance of 263.02 feet to a point on the common lot line of Lots 12 and 14;  
thence along said common lot line of Lots 12 and 14  $N88^{\circ}31'34''W$ , a distance of 20.06 feet;  
thence 20.00 feet west of and parallel with the common lot line of Lots 13 and 14  $S3^{\circ}06'37''E$ , a distance of 262.39 feet to a point 12.50 feet north of the common lot line of Lots 14, 15, 16, 19, 20 and 21;  
thence 12.50 feet north of and parallel with said common lot lines of Lots 14, 15, 16, 19, 20 and 21  $N86^{\circ}38'07''W$ , a distance of 384.33 feet to a point 10.00 feet north of the common lot line of Lots 17 and 18;  
thence 10.00 feet north of and parallel with said common lot line of Lots 17 and 18  $N68^{\circ}45'38''W$ , a distance of 27.28 feet;  
thence  $S21^{\circ}14'22''W$ , a distance of 20.00 feet to a point 10.00 feet south of said common lot line of Lots 17 and 18;  
thence 10.00 feet south of and parallel with said common lot line of Lots 17 and 18  $S68^{\circ}45'38''E$ , a distance of 29.33 feet to a point 10.00 feet west of the common lot line of lots 18 and 19;  
thence 10.00 feet west of and parallel with said common lot line of Lots 18 and 19  $S6^{\circ}14'37''W$ , a distance of 29.33 feet;  
thence  $S83^{\circ}45'23''E$ , a distance of 20.00 feet to a point 10.00 feet east of the common lot line of Lots 18 and 19;  
thence 10.00 feet east of and parallel with said common lot line of Lots 18 and 19  $N6^{\circ}14'37''E$ , a distance of 24.99 feet to a point 12.50 feet south of the common lot line of lots 14, 15, 16, 19, 20 and 21;  
thence 12.50 feet south of and parallel with said common lot line of lots 14, 15, 16, 19, 20 and 21  $S86^{\circ}38'07''E$ , a distance of 390.17 feet to a point 12.50 feet south of the common lot line of Lots 13 and 21;  
thence 12.50 feet south of and parallel with said common lot line of Lots 13 and 21  $S85^{\circ}15'29''E$ , a distance of 160.16 feet to a point on the east lot line of said lot 21;  
thence along said east lot line of Lot 21  $N6^{\circ}33'56''E$ , a distance of 12.505 feet to the northeast corner of said Lot 21 which is also the southwest corner of Lot 13 and the POINT OF BEGINNING; contains 20,539 square feet, more or less.