

After Recording Return To:
HindmanSanchez, P.C.
5610 Ward Road, Suite 300
Arvada, CO 80002

**AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
FOUNDERS VILLAGE
IN THE VILLAGES AT CASTLE ROCK**

TABLE OF CONTENTS

ARTICLE 1	DEFINED TERMS	3
Section 1.1	Defined Terms	3
ARTICLE 2	NAMES & DESCRIPTION OF PROPERTY/EASEMENTS	5
Section 2.1	Name and Type	5
Section 2.2	Property	5
Section 2.3	Owners' Easements of Enjoyment	5
Section 2.4	Delegation of Use	6
Section 2.5	Easements for the Master Association	6
Section 2.6	Utility, Map and Map Easements.....	7
Section 2.7	Easement for Encroachments.....	7
ARTICLE 3	THE MASTER ASSOCIATION	7
Section 3.1	Membership	7
Section 3.2	General Purposes and Powers of the Master Association.....	7
Section 3.3	Authority of the Master Association.....	7
Section 3.4	Licensing of Use of Common Area	8
Section 3.5	Managing Agent.....	8
Section 3.6	Security Disclaimer.....	8
Section 3.7	Education and Training.....	8
ARTICLE 4	COVENANT FOR ASSESSMENTS	8
Section 4.1	Creation of Master Association Lien and Personal Obligation to Pay Assessments for Common Expenses	8
Section 4.2	Basis of Assessments	9
Section 4.3	Annual Assessment	9
Section 4.4	Special Assessments	9
Section 4.5	Supplemental Assessments	10
Section 4.6	Application of Payments.....	10
Section 4.7	Effect of Non-Payment of Assessments	10
Section 4.8	Assignment of Rents	11
Section 4.9	Lien Priority	12
Section 4.10	Borrowing	12
ARTICLE 5	MAINTENANCE AND SERVICE RESPONSIBILITIES	12
Section 5.1	Master Association Maintenance.....	12
Section 5.2	Owner's Maintenance Responsibility.....	14
Section 5.3	Maintenance and Insurance Chart.....	14
ARTICLE 6	COVENANTS AND RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY	15
Section 6.1	Flexible Application of the Subsequent Covenants and Restrictions ...	15
Section 6.2	Authority	15
Section 6.3	Use/Occupancy	15
Section 6.4	Leasing and Occupancy Section 6.4	16
Section 6.5	Acquisition of Multiple Lots..... Section 6.5	16
Section 6.5	Acquisition of Multiple Lots..... Section 6.5	16
Section 6.5	Landscaping Requirements and Restrictions	16

Section 6.6	Landscaping Requirements and Restrictions Pets	17
Section 6.7	Pets Nuisances	17
Section 6.8	Nuisances Vehicular Parking, Storage, and Repairs	18
Section 6.9	Vehicular Parking, Storage, Rules and Repairs Regulations	18
Section 6.10	Rules and Regulations Section 6.10	
	Compliance with Governing Documents	19
Section 6.11	Compliance with Governing Documents With Other Laws	19
Section 6.12	Compliance With Other Laws Section 6.12 Use of the Words	
	Founders Village and Founders Village Master Association, Inc.	20
Section 6.13	Use of the Words Founders Village and Founders Village Master	
	Association, Inc. ARTICLE 7	
	ARCHITECTURAL REVIEW	20
ARTICLE 7	ARCHITECTURAL REVIEW Section 7.1	
	Required Approval	20
Section 7.1	Required Approval Section 7.2	
	Acknowledgment of Owners	21
Section 7.2	Acknowledgment of Owners Section 7.3	
	Architectural Criteria	22
Section 7.3	Architectural Criteria Section 7.4	
	Establishment of the Committee	22
Section 7.4	Establishment of the Committee Section 7.5	
	Architectural Guidelines	22
Section 7.5	Architectural Guidelines Section 7.6	
	Reply and Communication	23
Section 7.6	Reply and Communication Section 7.7	
	Conditions of Approval	23
Section 7.7	Conditions 8..... Commencement and Completion of Approval	
	Construction	23
Section 7.8	Commencement and Completion of Construction	9
	Variances	23
Section 7.9	Variances	10
	Right to Appeal	23
Section 7.10	Right to Appeal	11
	Waivers	23
Section 7.11	Waivers	12
	Liability	23
Section 7.12	Liability	13
	Records	24
Section 7.13	Records	14
	Enforcement	24

Section 7.14	Enforcement	ARTICLE 8	25
INSURANCE/CONDEMNATION			
ARTICLE 8 INSURANCE/CONDEMNATION		Section 8.1	
	Insurance on the Lots		25
Section 8.1	Insurance to be Carried by the Lots Master Association		25
Section 8.2	Hazard Insurance to be Carried by the Master Association on Common Area		25
Section 8.3	Hazard Master Association Liability Insurance on Common Area		25
Section 8.4	Master Association Liability Fidelity Insurance		25
Section 8.5	Master Association Fidelity Worker's Compensation and Employer's Liability Insurance		25
Section 8.6	Master Association Worker's Compensation Directors' and Employer's Officers' Personal Liability Insurance		26
Section 8.7	Directors' and Officers' Personal Liability Insurance	Section 8.8	
	Miscellaneous Terms Governing Insurance Carried by the Master Association		26
Section 8.8	Miscellaneous Terms Governing Other Master Association Insurance Carried by the Master Association		27
Section 8.9	Other Master Association Insurance Premium	10	27
Section 8.10	Annual Insurance Premium Review		27
Section 8.11	Annual Insurance Review	Section 8.12	
	Adjustments by the Master Association		27
Section 8.12	Adjustments by the Master Association	Section 8.13	
	Duty to Repair		27
Section 8.13	Duty to Repair	Section 8.14	
	Condemnation and Hazard Insurance Allocations and Distributions		27
Section 8.14	Condemnation and Hazard Insurance Allocations and Distributions	Section 8.15	
	Responsibility for Payment of Deductible Amount		27
Section 8.15	Responsibility for Payment of Deductible Amount	Section 8.16	
	Insurance Assessments		27
Section 8.16	Insurance Assessments	Section 8.17	
	Damage to or Destruction on Lots		28
Section 8.17	Damage to or Destruction on Lots	ARTICLE 9	
GENERAL PROVISIONS			28
ARTICLE 9 GENERAL PROVISIONS		Section 9.1	
	Compliance and Enforcement		28
Section 9.1	Compliance and Enforcement		2
	Attorney Fees		29
Section 9.2	Attorney Fees		3
	Severability		30

Section 9.3	Severability	<u>4</u>
	Term of Master Declaration	<u>30</u>
Section 9.4	Term <u>5</u> Amendment of Master Declaration by Owners	<u>30</u>
Section 9.5	6 <u>Amendment of Master Declaration by Owners</u> the Master Association	<u>30</u>
Section 9.6	Amendment of Master Declaration by the Master Association	<u>7</u>
	Captions	<u>30</u>
Section 9.7	Captions	<u>8</u>
	Interpretation	<u>30</u>
Section 9.8	Interpretation	<u>9</u>
	Singular Includes the Plural	<u>31</u>
Section 9.9	Singular Includes the Plural	<u>Section 9.10</u>
	Challenge to this Amendment	<u>31</u>
Section 9.10	Challenge to this Amendment	<u>11</u>
	Non-Waiver	<u>31</u>
Section 9.11	Non-Waiver	<u>12</u>
	Conflict of Provisions	<u>31</u>
Section 9.12	Conflict of Provisions	<u>EXHIBIT A</u>
	PROPERTY	<u>33</u>

**AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
FOUNDERS VILLAGE
IN THE VILLAGES AT CASTLE ROCK**

THIS AMENDED AND RESTATED MASTER DECLARATION is effective upon recording.

RECITALS:

A. On August 12, 1985, the Founders Village, Inc. submitted the real property described on Exhibit A to that certain Master Declaration of Covenants, Conditions and Restrictions of Founders Village in The Villages at Castle Rock recorded in the real property records of Douglas County, Colorado in Book 589 at Page 367, as amended and supplemented by documents of record, if any, (“Original Master Declaration”) to its covenants, conditions and restrictions;

B. The Owners within the Founders Village Community desire to amend and restate the Original Master Declaration by virtue of this Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Founders Village (“Master Declaration”), and intend, upon the recording of this Master Declaration, that all prior recorded declarations, amendments and supplements thereto shall be superseded and replaced by this Master Declaration; and

C. The Original Master Declaration provides for and allows for this Master Declaration in Sections 10.02, 10.08(C)(2), and 10.08(D), which provide as follows:

Section 10.02 Amendment. ...amendment shall require the approval of at least two-thirds of the total votes...

Section 10.08(C)(2) Amendments to Documents. ...the consent of at least sixty-seven percent of the Owners and at least fifty-one percent of the First Mortgagees shall be required to amend any material provisions which establish, provide for, govern, or regulate any of the following....(i) voting; (ii) Assessments, assessment liens, or subordination of liens; (x) Leasing of Lots; and (xii) Any provisions which are for the express benefit of First Mortgagees...

Section 10.08(D) FNMA/FHLMC Approval Requirements. Unless at least sixty-seven percent of the First Mortgagees and sixty-seven percent of the Owners have given their prior written approval, the Master Association or any Subassociation shall not be entitled to: (2) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner; and (3) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Improvements;

D. Section 10.08(C) of the Original Declaration also provides as follows:

If consent of any First Mortgagee is requested in writing pursuant hereto and a negative response is not received by the Master Association within thirty days after such First Mortgagee's receipt thereof, then such First Mortgagee shall be deemed to have given its consent.

E. With respect to voting, Section 6.04(E) of the Original Declaration provides:

The Property shall be divided into Districts, as hereinafter described, and each Delegate District shall elect one Delegate to the Master Association to exercise the voting power of all Members in such Delegate District.

F. All Owners are aware of the provisions of the Original Master Declaration allowing for amendment, by virtue of the record notice of the Original Master Declaration, by acts and disclosures, newsletters or notices of the Master Association and by other means;

G. The amendments within this Master Declaration have been prepared and determined by the Master Association and by the Owners that have approved this Master Declaration to be reasonable and not burdensome;

H. The purposes of the amendments in this Master Declaration are to remove unreasonable restrictions on the community, remove developer "boilerplate" language that is no longer applicable to the Community, remove delegate district provisions and requirements, remove provisions that do not allow the Board to efficiently operate the community or deal with community concerns, remove provisions that do not comply with current state law, add provisions that provide the proper tools for the Master Association to effectively solve problems, add provisions to provide the Master Association with sufficient power to create and successfully enforce Rules and Regulations, and add provisions that reflect beneficial state law provisions.

I. The purpose of the Master Association as provided in the Master Declaration is to preserve the value and desirability of the Community and the Lots and to further the interests of the residents of the Community and Members of the Master Association; and

J. Pursuant to the requirements set forth in Sections 6.04(E) and 10.08(D) of the Original Master Declaration, Delegates representing at least 67% of all Owners and at least 67% of all First Mortgagees have approved this Master Declaration, or alternatively, a court order entered by the District Court for Douglas County, Colorado pursuant to C.R.S. §38-33.3-217(7), has been entered approving this Master Declaration.

NOW THEREFORE, the Original Master Declaration is replaced and superceded by the covenants, servitudes, easements and restrictions set forth below:

ARTICLE 1 DEFINED TERMS

Section 1.1 Defined Terms. Each capitalized term in this Master Declaration shall have the meaning specified or used in the Act, unless otherwise defined in this Master Declaration or the context requires otherwise:

(a) “Act” shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 et. seq., as it may be amended.

(b) “Architectural Review Committee” or “Committee” means the committee appointed by the Board of Directors for the purpose of implementing the architectural review provisions of this Master Declaration and architectural guidelines for the Community to insure proper use, appropriate improvement, and harmonious additions, alterations and improvements within the Community.

(c) “Assessment” shall include all Common Expense Assessments and any other expense levied to Lots pursuant to this Master Declaration or the Act, including interest, late fees, attorney fees, fines, and costs.

(d) “Board” or “Board of Directors” shall mean the body, regardless of name, designated in the Governing Documents to act on behalf of the Master Association.

(e) “Common Area” or “Common Elements” shall mean all real property owned by the Master Association for the common use and enjoyment of the Owners, if any.

(f) “Common Expenses” shall mean and refer to all expenditures made and liabilities incurred by or on behalf of the Master Association, together with any allocation by the Master Association to reserves.

(g) “Community” or “Founders Village Community” or “Planned Community” shall mean the planned community known as “Founders Village,” and the real property subject to this Master Declaration and as further defined by the recorded Plats and the legal descriptions contained in this Master Declaration, and the Members of the Master Association.

(h) “Development Rights” shall mean those rights reserved for the Master Association, as set forth in this Master Declaration and those rights set forth in the Act.

(i) “Governing Documents” shall mean this Master Declaration, the Plat, the Articles of Incorporation, the Bylaws, any Maps and any Rules and Regulations of the Master Association, as all of the foregoing may be amended from time to time.

(j) “Lot” shall mean and refer to any plot of land shown upon any recorded Plat of the Property with the exception of Common Areas, if any.

(k) “Master Association” or “Association” shall mean Founders Village Master Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(l) “Master Declaration” or “Declaration” shall mean and refer to this Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for Founders Village, as amended, recorded in the office of the Clerk and Recorder of Douglas County, Colorado.

(m) “Member” shall mean any Owner. The terms “Member” and “Owner” may be used interchangeably.

(n) “Owner” shall mean the owner of record title, whether one or more persons or entities, to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(o) “Pet” shall mean and include cats, dogs, birds, reptiles or other household animals, as may be further defined in or supplemented by the Rules and Regulations.

(p) “Plat” or “Map” shall mean and refer to the plat(s) and/or map(s) of the Property and improvements that are subject to this Master Declaration and which are designated in the Plat or Map recorded in the records of the Office of the Clerk and Recorder of Douglas County. More than one plat, map or supplement thereto may be recorded, and, if so, then the term “Plat” or “Map” shall collectively mean and refer to all of such plats, maps and supplements thereto.

(q) “Property” shall mean the property described in or which is subject to the Master Declaration together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon.

(r) “Rules and Regulations” shall mean any written instruments, however identified, which are adopted by the Master Association for the regulation and management of the Community and/or clarification of the Governing Documents, including any amendment to those instruments.

(s) “Subassociation” shall mean any nonprofit Colorado corporation and its successors, organized and established pursuant to, or in connection with, a Subassociation Declaration, as set forth in this Master Declaration.

(t) “Subassociation Declaration” shall mean any declaration of covenants, conditions, and restrictions affecting any portion of the Property which shall be separate from but subject to and secondary to the Master Declaration.

ARTICLE 2 NAMES & DESCRIPTION OF PROPERTY/EASEMENTS

Section 2.1 Name and Type. The type of Common Interest Community is a Master Planned Community. The name of the master Planned Community is Founders Village. The name of the Master Association is the “Founders Village Master Association, Inc.”

Section 2.2 Property. The Planned Community is located in Douglas County, State of Colorado. The Property of the Planned Community is described in Exhibit A of this Master Declaration, in the Original Master Declaration, in the Plat, and/or is consistent with the common scheme and plan for the creation and operation of the Community. The number of Lots currently included in the Community is 2282. Easements for utilities and other purposes over and across the Lots and any Common Area may be as shown upon a recorded Plat and on any recorded Map of the Planned Community, and as may be established pursuant to the provisions of this Master Declaration, or granted by authority reserved in any recorded document.

Section 2.3 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to any Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Master Association to promulgate and publish Rules and Regulations with which each Owner and their tenants, invitees, licensees and guests shall strictly comply;

(b) the right of the Master Association, to suspend the voting rights and the right to use of any Common Area and recreational facilities for a period not to exceed 60 days or during any period of violation of any other provision of the Governing Documents, whichever is greater; provided that suspension of voting and use rights shall be automatic during any period that an Owner is in default in payment of any Common Expense Assessment;

(c) the right of the Master Association, upon approval of at least 67% of the total Master Association vote, to mortgage the Common Area as security for that purpose, provided, that the rights of such mortgagee shall be subordinate to the rights of the homeowners;

(d) the right, power and authority of the Master Association to grant any easement, right-of-way, license, lease, dedication or similar interest through, over or in the Common Area;

(e) the right of the Master Association to transfer or convey ownership of any Common Area with the affirmative vote of at least 67% of those Members present and voting at a duly constituted meeting of the Members;

(f) the right of the Master Association to close or limit the use of any Common Area while maintaining, repairing and making replacements in any Common Area; and

(g) the right of the Master Association to change use of, add or remove improvements to the Common Area.

Section 2.4 Delegation of Use. Owners may delegate their right of enjoyment to any Common Area and facilities to the members of their family, their tenants, guests, or contract purchasers who reside at their Lot. If the Owner delegates rights to use the Common Area and facilities to tenants or contract purchasers who reside at their Lot, the Owner shall not be entitled to use the Common Area and facilities. The Board of Directors shall have the express right to limit Owners' ability to delegate their right to use the recreational amenities of the Community through Rules and Regulations and/or to charge reasonable fees charged for such use.

Section 2.5 Easements for the Master Association. Each Lot shall be subject to an easement in favor of the Master Association, acting through the Board of Directors (including its agents, employees and contractors) to allow for their performance of obligations in this Master Declaration, provided that the easement granted and the use thereof shall not unreasonably interfere with or impair the use of any improvements constructed on a Lot and shall be exercised only after reasonable notice to the Owner of the Lot.

Section 2.6 Utility, Map and Map Easements. Easements for utilities and other purposes over and across the Lots and Common Areas may be as shown upon the Plat or Map of the Community, and as may be established pursuant to the provisions of this Master Declaration, or granted by authority reserved in any recorded document.

Section 2.7 Easement for Encroachments. Each Lot and the property included in the Common Area shall be subject to an easement for encroachments created by the original construction, settling and overhangs. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event any building or other improvement located on a Lot is partially or totally destroyed, and then rebuilt, the owners thereof so affected agree that minor encroachments of parts of the adjacent Lot or Common Areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

ARTICLE 3 THE MASTER ASSOCIATION

Section 3.1 Membership. Every person who is a record Owner of a fee interest in any Lot which is subject to this Master Declaration shall be a Member of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for such membership. Each Lot shall be allocated one vote which shall be cast as a single vote and shall not be subject to fractional voting.

Section 3.2 General Purposes and Powers of the Master Association. The Master Association, through its Board of Directors, shall perform functions and manage the Founders Village Community as provided in this Master Declaration so as to protect the value and desirability of the Founders Village Community and the Lots. The Master Association shall be responsible for the maintenance, repair, replacement and improvement of all Common Area. Any purchaser of a Lot shall be deemed to have assented to, ratified and approved such designation and management. The Master Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.3 Authority of the Master Association. The business affairs of the Community shall be managed by the Master Association. The Master Association shall be governed by the Act, to the extent it applies to communities created prior to July 1, 1992, this Master Declaration, the Plat or Map, its Articles of Incorporation and Bylaws, and any Rules and Regulations adopted by the Board of Directors. All corporate or other powers of the Master Association, unless otherwise specified or expressly reserved to the Members in the Governing Documents, shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the Master Association shall be managed under the direction of the Board of Directors. The Board of Directors may, by written resolution, delegate authority to a managing agent for the Master Association, provided no such delegation shall relieve the Board of final responsibility. The Master Association may exercise any right or privilege and shall perform all duties and

obligations expressly granted or reasonably necessary or implied in the Governing Documents to affect such right or privilege or to satisfy such duty or obligation.

Section 3.4 Licensing of Use of Common Area. The Association, acting through the Board, may license use of parts of the Common Area to Owners on such terms and conditions as determined by the Board.

Section 3.5 Managing Agent. The Master Association may employ or contract for the services of a managing agent to whom the Board may delegate certain powers, functions, or duties of the Master Association, as provided in the Bylaws of the Master Association. The Board shall not be liable for any omission or improper exercise by a managing agent of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.6 Security Disclaimer. The Master Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve security in the Community; however, each Owner, for himself or herself and his or her tenants, guests, licensees and invitees, acknowledges and agrees that the Master Association is not a provider of security and shall have no duty to provide security in the Community. Furthermore, the Master Association does not guarantee that non-residents will not gain access to the Community and commit criminal acts in the Community, nor does the Master Association guarantee that criminal acts in the Community will not be committed by residents. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide such security shall lie solely with each Owner. The Master Association shall not be held liable for any loss or damage by reason of failure to provide security or the ineffectiveness of measures taken.

Section 3.7 Education and Training. As a Common Expense, the Master Association shall, in accordance with the Act, provide education and training opportunities for Owners, residents and occupants, including providing funding and permitting use of facilities for such purposes. The Master Association shall provide education and training activities as a tool for fostering Owner, resident and occupant awareness of governance, operations and concerns of the Community and of the Master Association. Appropriate educational topics include dispute or conflict resolution, issues involving the Governing Documents, and education or topics benefitting or contributing to operation or governance of the Community and the rights and responsibilities of Owners and the Master Association. The Master Association may also fund and support education and training for officers and directors.

ARTICLE 4 COVENANT FOR ASSESSMENTS

Section 4.1 Creation of Master Association Lien and Personal Obligation to Pay Assessments for Common Expenses. Each Owner, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall

be deemed to covenant and agree to pay to the Master Association annual Assessments for Common Expenses, insurance Assessments, and such other Assessments as imposed by the Master Association. Such Assessments, including fees, charges, late fees, attorney fees, fines and interest charged by the Master Association and additional fees charged by the managing agent, including but not limited to, administration and witness fees, shall be the personal obligation of the Owner of such Lot at the time when the Assessment or other charges became or fell due. The Master Association annual Assessments for Common Expenses and such other Assessments as imposed by the Master Association, including fees, charges, late fees, attorney fees, fines and interest charged by the Master Association, shall be a charge on each Lot and shall be a continuing lien upon the Lot against which each such Assessment or charge is made. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due. The personal obligation to pay any past due sums due the Master Association shall not pass to a successor in title unless expressly assumed by them. No Owner may become exempt from liability for payment of the Assessments for Common Expenses by waiver of the use or enjoyment of the Common Area or by abandonment of the Lot against which the Assessments for Common Expenses are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof, except as provided in this Master Declaration, shall be permitted by any reason including, without limitation, any claim that the Master Association or the Board of Directors is not properly exercising its duties and powers under this Master Declaration. Except as provided in this Master Declaration, all Assessments for Common Expenses shall be assessed against all Lots equally.

Section 4.2 Basis of Assessments. Common Expense Assessments may be made on an annual basis against all Lots and shall be based upon the Master Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year.

Section 4.3 Annual Assessment. The budget for annual Assessments shall be submitted to the Owners for ratification pursuant to Section 303(4) of the Act and as set forth in the Bylaws, as the Bylaws may be amended from time to time. The budget may be vetoed by a majority of the total Master Association vote. Assessments for Common Expenses shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Board of Directors. The omission or failure of the Board of Directors to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

Section 4.4 Special Assessments. In addition to other authorized Assessments, the Master Association may levy Special Assessments from time to time to cover previously unbudgeted expenses or expenses in excess of those budgeted, including, without limitation, the costs of any construction, restoration, or unbudgeted repairs or replacements of capital improvements that are not covered by the general reserve fund. The proposed Special Assessment shall be submitted to the Owners for ratification pursuant to Section 303(4) of the Act and as set forth in the Bylaws, as the Bylaws may be amended from time to time. The proposed Special Assessment may be vetoed by a

majority of the total Master Association vote. Special Assessments may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall have the right to require that Special Assessments be paid in advance of the provision of the subject services or materials.

Section 4.5 Supplemental Assessments. The Master Association shall have the right to add to any Owner's Assessment as provided in this Article the following:

(a) those amounts expended by the Master Association for the benefit of any individual Lot or any occupant thereof, including but not limited to: improvement, repair, replacement or maintenance specific to a Lot;

(b) improvement, repair, replacement or maintenance caused by the negligent or willful acts of any Owner, his or her guest, employee, licensee, lessee or invitee as set forth in this Master Declaration;

(c) All fines and costs assessed against an Owner pursuant to the Governing Documents; and

(d) Any other expenditures or charges which the Board, in its sole discretion, chooses to allocate to a Lot and are reasonably determined to be allocable to a particular Lot.

Section 4.6 Application of Payments. All sums collected on a delinquent account referred to an attorney shall be remitted to the Master Association's attorney until the account is brought current. All payments received on an account of any Owner or the Owner's Lot shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late fees, returned check fees, lien fees and other costs owing or incurred with respect to such Owner pursuant to the Governing Documents, prior to application of the payment to any special or regular Assessments due or to become due with respect to such Owner.

Section 4.7 Effect of Non-Payment of Assessments.

(a) Any Assessment, charge or fee provided for in this Master Declaration, or any monthly or other installment thereof, which is not fully paid within 10 days after the due date thereof, as established by the Board of Directors, shall bear interest at the rate established by the Board of Directors, on a per annum basis to accrue monthly from the due date, and the Master Association may assess a reasonable late fee thereon as determined by the Board of Directors.

(b) Failure to make payment within 10 days of the due date thereof shall cause the total amount of such Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. The Board may, in its discretion, decelerate the Member's annual Assessment.

(c) Further, the Master Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Master Association against a Owner to recover a money judgment for unpaid Assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Master Association without foreclosing, or in any way waiving, the Master Association's lien therefor.

(d) Foreclosure or attempted foreclosure by the Master Association of its lien shall not be deemed to estop or otherwise preclude the Master Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Master Association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment lien, and a Owner abandons or leaves vacant his or her Lot, the Board may take possession and rent said Lot or apply for the appointment of a receiver for the Lot without prior notice to the Owner. The rights of the Master Association shall be expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 4.8 Assignment of Rents. If a Lot is rented by its Owner, the rent is hereby pledged and assigned to the Master Association as security for the payment of all Assessments due by that Owner to the Master Association. If the Assessments owed by the Owner of a rented Lot are more than 30 days delinquent, the Master Association may collect, and the occupant or lessee shall pay to the Master Association, the rent for any Lot owned by the delinquent Owner, or that portion of the rent equal to the amount due to the Master Association; provided, however, the lessee need not make such payments to the Master Association in excess of or prior to the due date for monthly rental payments unpaid at the time of the Master Association's request. The Master Association shall send notice to the Owner by any reasonable means at least 10 days prior to initiating the collection of rent from the Owner's occupant or lessee. The occupant and/or lessee shall not have the right to question the Master Association's demand for payment. Payment by the occupant or lessee to the Master Association will satisfy and discharge the occupant or lessee's duty of payment to the Owner for rent, to the extent of the amount paid to the Master Association. No demand or acceptance of rent under this Section shall be deemed to be a consent or approval of the Lot rental or a waiver of the Owner's obligations as provided in the Master Declaration. The Master Association shall not exercise this power where a receiver has been appointed with respect to a Lot or Owner, nor in derogation of the exercise of any rights to rents by a the holder of a first lien security interest of a Lot. If an occupant or lessee fails or refuses to pay rent to the Master Association as provided for in this Section, the Master Association shall have the right to bring an action for unlawful detainer for non-payment of rent under Colorado statutes, and the costs and attorney fees incurred by the Master Association in connection with that action shall be

collectable from the occupant or lessee in that action, and from the Owner of the Lot in the same manner as any other Assessment under this Master Declaration.

Section 4.9 Lien Priority. The lien of the Master Association under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Master Declaration; (2) a first lien security interest on the Lot (except as allowed by the Act with regard to the limited lien priority allowed to the Master Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Master Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Lot shall not affect the lien for said Assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Lot from continuing liability for any Assessment charges thereafter becoming due, nor from the lien thereof.

Section 4.10 Borrowing. The Master Association shall have the power to assign its right to future income, including the right to assign its right to receive Assessments for Common Expenses, up to \$10,000 without Owner approval; provided, however, any amount over \$10,000 shall require the approval of at least 10% of all Owners.

ARTICLE 5 MAINTENANCE AND SERVICES RESPONSIBILITIES

Section 5.1 Master Association Maintenance. The Board of Directors of the Master Association shall determine the specifications, scope, extent, nature and parameters of the Master Association's maintenance responsibilities.

(a) The Master Association shall maintain, repair, replace, improve, and keep in good repair as a Common Expense the following:

(i) all Common Area unless otherwise provided in this Master Declaration;

(ii) any landscaped right-of-ways and medians within or adjacent to public or private streets within or abutting the Community;

(iii) greenbelt areas, bike paths, trails, well sites and irrigation within Common Areas;

(iv) any trees, hedges, walls, fences, lighting facilities, and masonry entryways located within Common Areas or which were originally installed upon creation of the Community;

(v) Such portions of property included within the Community as may be dictated by local government, this Master Declaration or any Supplemental Declaration or in any contract or agreement for maintenance thereof entered into by the Master Association, or as expressly delegated by a Subassociation and accepted by the Master Association, if any.

(vi) For such other maintenance and repair as set forth below or elsewhere in this Master Declaration.

(b) Maintenance of Common Area by Owner. Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Area by an Owner or occupant which is the responsibility of the Master Association hereunder (including, but not limited to landscaping of Common Area) shall be performed at the sole expense of such Owner or occupant, and the Owner or occupant shall not be entitled to reimbursement from the Master Association even if the Master Association accepts the maintenance or repair.

(c) Master Association Discretion. When a homeowner is in violation of the Governing Documents, the Master Association may, in its sole discretion, assume the obligation for maintenance or repair of additional property, either real or personal, that lies within the Community, including any property located within an Owner's Lot. The Master Association may also perform services, in its sole discretion, for the Community that benefit all or a portion of the Community, including, but not limited to, snow removal, irrigation services, security services, and landscape maintenance. The Master Association shall have the right to assume such obligations and/or services even if the obligation or service currently lies with Owners or other entities, provided however, the Master Association shall provide Owners with 15 days prior written notice of any such change. The Master Association, in its sole discretion, shall determine the time and manner in which any maintenance or services, whether required or assumed, shall be performed as well as the color or type of materials used. If the assumed obligation or services benefit all Owners, the expenses and fees for such obligation and/or service shall be assessed to all Owners as a Common Expense pursuant to this Master Declaration. If the assumed obligation or services does not benefit all Owners, the expenses and fees for such obligation and/or service shall be assessed pursuant to this Master Declaration to only those Owners benefitting, as determined by the Board of Directors.

(d) Liability of Master Association.

(i) The Master Association shall not be liable for injury or damage to person or property caused by or resulting from any water, rain, snow or ice which may leak or flow from any portion of the Common Area.

(ii) The Master Association shall not be liable to the Owner of any Lot or such Owner's occupant, tenant, invitee, lessee, licensee, guest, or family member, for loss or damage, by theft or otherwise, of any property which may be left or stored in or upon any of the Common Area.

(iii) The Master Association shall not be liable to any Owner, or any Owner's occupant, tenant, invitee, lessee, licensee, guest, or family member for any damage or injury caused in whole or in part by the Master Association's failure to discharge its responsibilities under this Section where such damage or injury is caused by an act of God, is not foreseeable or is not a natural result of the Master Association's failure to discharge its responsibilities.

(iv) No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Master Association to take some action or perform some function required to be taken or performed by the Master Association under this Master Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Master Association, or from any action taken by the Master Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

(e) If trash removal is a service ever offered by the Master Association to Owners, then the Master Association shall have the exclusive right to engage a trash removal contractor on behalf of the Owners.

Section 5.2 Owner's Maintenance Responsibility. Except as otherwise provided in Section 5.1 above, each Owner shall have the obligation to maintain, repair and replace all portions of the Owner's Lot. Additional maintenance, repair, replacement and improvement requirements for Owners may also be set forth in a Subassociation Declaration. The Master Association, and its agents, shall have the authority, after giving the Owner 30 days written notice, to enter, replace, maintain, repair and clean up Lots which do not conform to the provisions of this Section, and to charge and collect from the Owner thereof all reasonable costs related thereto as an Assessment hereunder.

Section 5.3 Maintenance and Insurance Chart. As a Common Expense, the Master Association may periodically cause to be prepared a chart summarizing the repair, replacement, maintenance, and insurance obligations of Owners and the Master Association, as outlined in this Master Declaration or assumed by the Master Association. Such repair, replacement, maintenance, and insurance chart shall be provided to all Owners.

**ARTICLE 6
COVENANTS AND RESTRICTIONS ON USE,
ALIENATION AND OCCUPANCY**

Section 6.1 Flexible Application of the Subsequent Covenants and Restrictions. All Lots within the Community shall be held, used and enjoyed subject to the following limitations and restrictions. The strict application of the following limitations and restrictions in any specific case may be modified or waived, in whole or in part, by the Board of Directors or by an appropriate committee (subject to review by the Board of Directors) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

Section 6.2 Authority. All provisions of the Governing Documents shall apply to Owners and their guests, tenants, invitees and licensees. Owners and their successors and assigns, by acceptance of a deed to their Lot, acknowledge that they have been given notice, and that:

- (a) The ability of Owners to use their Lots may be limited by the provisions in the Governing Documents.
- (b) The Board may, from time to time, adopt and amend definitions of words, phrases and terms used in this Master Declaration and other Governing Documents.
- (c) The Board may establish penalties for the infraction of all regulations and Owners will be responsible for fines assessed against their tenants, guests and invitees for violations of the restrictions.
- (d) All fines imposed are collectable as Assessments.

Section 6.3 Use/Occupancy. All Lots within the Community shall be used only for those uses and/or purposes as allowed by the local zoning, control and regulation, and permitted by this Master Declaration, subject to any Rules and Regulations adopted by the Master Association. Lots shall not be used for any purpose other than a residential dwelling except as set forth in this Section. Home occupations shall be allowed so long as the home occupations are incidental and secondary to the use of the Lot and do not change the residential character thereof, comply with local zoning ordinances and regulations, and comply with this Master Declaration. Except as allowed by law or in the Rules and Regulations, external advertising of any kind is prohibited. In no instance shall a home occupation be visible externally, nor shall any home occupation employ any person other than the Owner. Uses which have one or more of the following characteristics are not permitted: (a) manufacturing or fabrication of any kind; (b) storage of hazardous materials; (c) increased traffic or parked vehicles beyond that reasonable and customary to a residential dwelling use; (d) permanent or long term parking of heavy

equipment, including semi trailers; (e) the use or rental of any structure on a Lot for any transient, hotel, motel, bed and breakfast, restaurant, bar or other commercial purposes.

If the Owner of a Lot is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing the name(s) of the person(s) who will occupy the Lot. The designated person(s) shall not be changed more frequently than once every six months, and any such change must be designated in writing within 10 days of the change.

~~Section 6.4 Leasing and Occupancy Acquisition of Multiple Lots. In order to preserve the character of the Community as predominantly Owner occupied, and to comply with the eligibility requirements for financing in the secondary mortgage market, the leasing of Lots shall be governed by the restrictions imposed by this Section. Except as provided herein, the leasing of Lots shall be prohibited. "Leasing," for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person other than the Owner; provided, however, for the purposes of this Declaration, leasing shall not include the occupancy of the Lot by the child or parent of an Owner. For purposes of this Declaration, occupancy by a roommate of an Owner who occupies the Lot as such Owner's primary residence shall not constitute leasing under this Declaration. Any Owner who owns or controls two or more Lots in the Community as of the date of recording of this Master Declaration, directly or indirectly through an affiliate of the Owner, shall be prohibited from acquiring, whether directly or indirectly through an affiliate of the Owner, any interest in any additional Lot in the Community, whether through purchase, trade, gift, inheritance, lease, merger, consolidation or other means of acquisition. Thereafter, no Owner may own more than two Lots in the Community. Notwithstanding anything in this Declaration to the contrary, this restriction on acquisition of Lots shall not apply to a mortgagee acquiring title to a Lot subject to a mortgage by foreclosure or deed in lieu of foreclosure. This restriction shall be enforceable by the Association or any Owner by means of an action for injunction to restrain any future acquisition or to require an Owner who has violated this restriction to divest any interest so acquired.~~

~~———— (a) ——— General. Owners desiring to lease their Lots may do so only if they have applied for Section 6.5 Landscaping Requirements and received from Restrictions. The landscaping of each Lot shall be maintained by the Association either a "Leasing Permit" or a "Hardship Leasing Permit." Such a permit, upon its issuance, will allow an Owner to lease his or her Lot provided that such leasing is in strict accordance with the terms of Rules and Regulations adopted by the permit and this Section. No Owner may lease or rent more than one Lot in the Community unless such Owner resides in the Community at all times. The Association shall have the authority to establish conditions as to the duration and use of such permits consistent with this Section. All Leasing Permits and Hardship Leasing Permits shall be valid only as to specific Owners and Lots and shall not be transferable between either Lots or Owners; provided, however if a valid lease is in place at the date of transfer of the Lot, that lease may continue until the expiration of the lease term or for a maximum of one year, whichever is earlier. Board.~~

~~(b) Applicability. Those Owners who are residing in the Community, but who are leasing another Lot in the Community, upon the effective date of this Master Declaration, shall be entitled to a Leasing Permit, notwithstanding the percentage limitations set forth herein. Those Owners who are not residing within the Community and are leasing their Lots must request a Leasing Permit from the Association within twelve months of recording of this Declaration in order to be entitled to a Leasing Permit, notwithstanding the percentage limitations set forth herein. After that date, all Lots that do not have Leasing Permits shall be subject to the percentage limitations set forth herein. Upon any conveyance or transfer of any Lot, any grantee of the Lot shall immediately be subject to the provisions of this Section.~~

Section 6.6 Pets. Pets can only be kept in the Community in accordance with the Rules and Regulations adopted by the Board.

Section 6.7 Nuisances. No nuisance shall be permitted within the Founders Village Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Owner or which may unreasonably interfere with the peaceful enjoyment or possession or the proper use of a Lot or any Common Area, or any portion of the Founders Village Community by residents. Further, no improper, offensive or unlawful use shall be permitted within the Founders Village Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Founders Village Community or a portion thereof shall be observed.

~~(c) Leasing Permits. An Owner's request for a Leasing Permit shall be approved if current, outstanding Leasing Permits have not been issued for more than 10% of the total Lots in the Community. A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (1) subject to the terms of subsection (a) above, the sale or transfer of the Lot to a person or entity other than the Owner (excluding sales or transfers to (a) an Owner's spouse, (b) a person cohabitating with the Owner, and (c) a corporation, partnership, company, or legal entity in which the Owner is a principal); (2) the failure of an Owner to lease his or her Lot within 180 days of the Leasing Permit having been issued; or (3) the failure of an Owner to have his or her Lot leased for any consecutive 180 day period thereafter. The Board may make an exception to the 180 day provision upon written application from the Owner at least 30 days prior to the expiration of the 180 day period that shows the Owner made reasonable efforts to rent the Lot, but has been unable to do so due to market conditions or if the Owner demonstrates an abnormal or hardship reason for the vacancy. If current Leasing Permits have been issued for more than 10% of the total Lots, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits) until the number of outstanding current Leasing Permits falls below 10% of the total Lots in the Community. Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued the same if they so desire when the number of current outstanding Leasing Permits issued falls to 10% or less of the total Lots in the Community. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Owner to be removed from the waiting list for a Leasing Permit. Section~~

6.8 Vehicular Parking, Storage, and Repairs. Parking upon any Common Area shall be regulated by the Master Association pursuant to and in accordance with the Rules and Regulations.

~~_____ (d) Hardship Leasing Permits. If the failure to lease will result in a hardship, the Owner may seek to lease on a hardship basis by applying to the Association for a Hardship Leasing Permit. The Association shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship, (2) the harm, if any, which will result to the Lot if the permit is approved, (3) the number of Hardship Leasing Permits which have been issued to other Owners, (4) the Owner's ability to cure the hardship, and (5) whether previous Hardship Leasing Permits have been issued to the Owner. A "hardship" as described herein shall include, but not be limited to the following situations: (1) an Owner must relocate his or her residence outside the greater Denver metropolitan area and cannot, within six months from the date that the Lot was placed on the market, sell the Lot except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) where the Owner dies and the Lot is being administered by his or her estate; and (3) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Lot. Hardship Leasing Permits shall be valid for a term not to exceed one year. Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if, during the term of the permit, the Owner is approved for and receives a Leasing Permit.~~

~~_____ (e) Leasing Provisions. Leasing which is authorized, pursuant to permit, hereunder shall be governed by the following provisions:~~

~~_____ (i) Notice. At least 10 days prior to entering into the initial lease of a Lot, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. If the Board approves the form of lease, the Owner agrees not to change the lease form without submitting the new lease form to the Board for approval. In the event a lease form is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Declaration and any Rules and Regulations adopted pursuant thereto.~~

Section 6.9 Rules and Regulations. In furtherance of the provisions of this Master Declaration, and the general plan, Rules and Regulations concerning and governing the Community, including but not limited to activities and improvements on Lots, may be adopted, amended, or repealed from time to time by the Board of Directors. The Board of Directors may establish and enforce penalties for the infraction thereof.

~~_____ (ii) General. Lots may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form which is deemed acceptable. There shall be no subleasing of Lots or assignment of leases without prior written Board~~

~~approval. All leases must be for an initial term of not less than six months, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within 10 days after executing a lease agreement for the lease of a Lot, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Lot. The Owner may redact financial terms of the lease. The Owner must provide the lessee copies of the Declaration, Bylaws, and the Rules and Regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.~~

Section 6.10 Compliance with Governing Documents. Each Owner shall comply strictly with the provisions of this Master Declaration, the Articles of Incorporation, Bylaws, and the Rules and Regulations of the Master Association, as amended.

~~(iii) Compliance with Declaration, Bylaws and Rules and Regulations and Use of Common Elements. Each Owner covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Lot, agrees to the applicability of this covenant and incorporation of the following language into the lease.~~

Section 6.11 Compliance With Other Laws. No improper, offensive or unlawful use shall be permitted within the Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed.

~~(A) Compliance with Declaration, Bylaws and Rules and Regulations. The lessee shall comply with all provisions of the Governing Documents adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased Lot in order to ensure such compliance. The Owner shall cause all occupants of his or her Lot to comply with the Governing Documents adopted pursuant thereto, and shall be responsible for all violations by such occupants, notwithstanding the fact that such occupants of the Lot are fully liable and may be sanctioned for any such violation. If the lessee, or a person living with the lessee, violates the Governing Documents for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee. The fine may be assessed against the Owner after both parties are provided notice and an opportunity for hearing. Unpaid fines shall constitute a lien against the Lot.~~

~~Any violation of the Governing Documents adopted pursuant thereto by the lessee, any occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Colorado law. If the Association requests that the Owner evict the Owner's tenant based on the terms of this Declaration and the Owner fails to commence such action within 30 days of the date of the Association's notice, the Association may commence eviction proceedings. Upon failure~~

~~by the Owner to comply with the Association's request to evict, the Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority to evict the lessee as attorney in fact on behalf of and for the benefit of the Owner for breaches resulting from the violation of the Governing Documents adopted pursuant thereto. If the Association evicts the lessee, any costs, including but not limited to reasonable attorney fees actually incurred and court costs associated with the eviction shall be an Assessment and lien against the Lot.~~

~~(B) Use of Common Elements. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements, including but not limited to, the use of any and all recreational facilities and other amenities.~~

~~Section 6.5 Acquisition of Multiple Lots. Any Owner who owns or controls two or more Lots in the Community as of the date of recording of this Master Declaration, directly or indirectly through an affiliate of the Owner, shall be prohibited from acquiring, whether directly or indirectly through an affiliate of the Owner, any interest in any additional Lot in the Community, whether through purchase, trade, gift, inheritance, lease, merger, consolidation or other means of acquisition. Thereafter, no Owner may own more than two Lots in the Community. Notwithstanding anything in this Declaration to the contrary, this restriction on acquisition of Lots shall not apply to a mortgagee acquiring title to a Lot subject to a mortgage by foreclosure or deed in lieu of foreclosure. This restriction shall be enforceable by the Association or any Owner by means of an action for injunction to restrain any future acquisition or to require an Owner who has violated this restriction to divest any interest so acquired.~~

~~Section 6.12 Use of the Words Founders Village and Founders Village Master Association, Inc. No Owner or resident shall use the words Founders Village or Founders Village Master Association, Inc. or the logo of the Community or Master Association, if any, or any derivative thereof, in connection with any goods, materials or services, the use of which is likely to cause confusion, mistake or deception as to the source or origin of such goods, materials or services, without the prior written consent of the Master Association.~~

ARTICLE 7 ARCHITECTURAL REVIEW

~~Section 7.1 Required Approval. No structures (as defined in the Rules and Regulations) or any other improvements (as defined in the Rules and Regulations) shall be constructed, erected, relocated, removed, changed or installed on a Lot, nor shall any painting, alteration or change to the exterior of the improvements, the exterior of a residence, to a Lot or to any structure or any attachment to the exterior of a residence be commenced unless complete plans and specifications shall have been first submitted to and approved in writing by the Architectural Review Committee ("Committee") as set forth in the Rules and Regulations.~~

~~Section 7.2 Acknowledgment of Owners. Owners shall be subject to all commencement, construction, installation, specification, inspection, deadline and request requirements of the Committee as set forth in the Rules and Regulations. Committee approval does not constitute approval of the local building or zoning department, drainage design or structural soundness;~~

~~Section 6.6 Landscaping Requirements and Restrictions. The landscaping of each Lot shall be maintained by the Owner in accordance with the Rules and Regulations adopted by the Board.~~

~~Section 6.7 Pets. Pets can only be kept in the Community in accordance with the Rules and Regulations adopted by the Board.~~

~~Section 6.8 Nuisances. No nuisance shall be permitted within the Founders Village Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Owner or which may unreasonably interfere with the peaceful enjoyment or possession or the proper use of a Lot or any Common Area, or any portion of the Founders Village Community by residents. Further, no improper, offensive or unlawful use shall be permitted within the Founders Village Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Founders Village Community or a portion thereof shall be observed.~~

~~Section 6.9 Vehicular Parking, Storage, and Repairs. Parking upon any Common Area shall be regulated by the Master Association pursuant to and in accordance with the Rules and Regulations.~~

~~Section 6.10 Rules and Regulations. In furtherance of the provisions of this Master Declaration, and the general plan, Rules and Regulations concerning and governing the Community, including but not limited to activities and improvements on Lots, may be adopted, amended, or repealed from time to time by the Board of Directors. The Board of Directors may establish and enforce penalties for the infraction thereof.~~

~~Section 6.11 Compliance with Governing Documents. Each Owner shall comply strictly with the provisions of this Master Declaration, the Articles of Incorporation, Bylaws, and the Rules and Regulations of the Master Association, as amended.~~

~~Section 6.12 Compliance With Other Laws. No improper, offensive or unlawful use shall be permitted within the Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed.~~

~~Section 6.13 Use of the Words Founders Village and Founders Village Master Association, Inc. No Owner or resident shall use the words Founders Village or~~

~~Founders Village Master Association, Inc. or the logo of the Community or Master Association, if any, or any derivative thereof, in connection with any goods, materials or services, the use of which is likely to cause confusion, mistake or deception as to the source or origin of such goods, materials or services, without the prior written consent of the Master Association.~~

~~ARTICLE 7 ARCHITECTURAL REVIEW~~

~~Section 7.1 Required Approval. No structures (as defined in the Rules and Regulations) or any other improvements (as defined in the Rules and Regulations) shall be constructed, erected, relocated, removed, changed or installed on a Lot, nor shall any painting, alteration or change to the exterior of the improvements, the exterior of a residence, to a Lot or to any structure or any attachment to the exterior of a residence be commenced unless complete plans and specifications shall have been first submitted to and approved in writing by the Architectural Review Committee (“Committee”) as set forth in the Rules and Regulations.~~

~~Section 7.2 Acknowledgment of Owners. Owners shall be subject to all commencement, construction, installation, specification, inspection, deadline and request requirements of the Committee as set forth in the Rules and Regulations. Committee approval does not constitute approval of the local building or zoning department, drainage design or structural soundness;~~

Section 7.3 Architectural Criteria. The Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction, landscaping and alterations to improvements on a Lot or landscaping of a Lot shall comply with the requirements set forth in this Master Declaration and the Rules and Regulations. The approval or consent of the Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious. Approval shall be based upon the criteria set forth in the Rules and Regulations. Upon its review of such plans, specifications and submittals, the Committee may require that the applicant(s) reimburse the Board for actual expense incurred by third party providers in its review and approval process.

Section 7.4 Establishment of the Committee. The Committee shall consist of a minimum of three members appointed by the Board of Directors. The Board shall have the authority to remove any members of the Committee at their sole discretion.

Section 7.5 Architectural Guidelines. The Committee may propose architectural guidelines from time to time, which guidelines may be approved by the Board of Directors and included in or with any Rules and Regulations of the Master Association.

Section 7.6 Reply and Communication. The Committee shall reply to all submittals of plans made in accordance herewith in writing pursuant to the Rules and Regulations.

Section 7.7 Conditions of Approval. In the discretion of the Board or the Committee, an Owner may be required to enter into a written agreement establishing the approval of the application in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest. As a condition of approval for a requested architectural change, modification, addition or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, affirms and shall assume, unless otherwise agreed in writing, all responsibilities for maintenance, repair, replacement and insurance to and on such change, modification, addition or alteration.

Section 7.8 Commencement and Completion of Construction. All improvements approved by the Committee must be commenced and completed within such period designated either in the approval or as set forth in the Rules and Regulations.

Section 7.9 Variances. The Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Master Declaration and the Rules and Regulations in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in this Master Declaration or in the Rules and Regulations.

Section 7.10 Right to Appeal. If the Board of Directors is not acting as the Committee, an Owner whose plans have been disapproved or conditionally approved may appeal any decision of the Committee to the Board of Directors. The Board of Directors shall review the decision of the Committee pursuant to the criteria set forth in this Article and/or the architectural guidelines. Any decision of the Committee may be overruled and reversed by a majority of the directors by a written decision setting forth the reasons for the reversal when the directors conclude that the Committee's decision was inconsistent with the criteria set forth in this Article and the guidelines.

Section 7.11 Waivers. The approval or consent of the Committee, or appointed representative thereof, to any application for architectural approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the Committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 7.12 Liability. The Committee and the members thereof, as well as any representative of the Board designated to act on its behalf, shall not be liable in damages

to any person submitting requests for approval or for any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants. Neither the Board nor the Committee shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements.

Section 7.13 Records. The Master Association shall maintain written records of all architectural approval applications submitted and all actions taken and decisions made with respect thereto pursuant to the Rules and Regulations.

Section 7.14 Enforcement. Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Master Association shall have the right, but not the obligation, to institute, maintain and prosecute any such proceedings. In any action instituted or maintained under this Section, the Master Association may be entitled to recover its costs and reasonable attorney fees incurred pursuant thereto, as well as any and all other sums awarded by the court. Failure of the Master Association to enforce any covenant or restriction contained in this Section shall in no event be deemed a waiver of the right to do so thereafter. In addition, or in the alternative, the Master Association shall have all other enforcement rights as set forth in this Master Declaration.

ARTICLE 8 INSURANCE/CONDEMNATION

Section 8.1 Insurance on the Lots. Each Owner has the responsibility to obtain hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to their Lot, or other property of that Owner located on such Lot, and liability insurance covering any injuries occurring to persons or property damages on a Lot.

Section 8.2 Insurance to be Carried by the Master Association. The Master Association shall obtain and maintain in full force and effect, to the extent reasonably available and at all times, the insurance coverage set forth in this Master Declaration and as set forth in the Act, which insurance coverage shall include the following terms and shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado.

Section 8.3 Hazard Insurance on Common Area. The Master Association shall obtain hazard insurance covering loss, damage or destruction by fire or other casualty to any insurable improvements installed or made to any Common Area and the other property of the Master Association.

Section 8.4 Master Association Liability Insurance. The Master Association shall obtain public liability and property damage liability insurance covering any Common Area, in such limits as the Board may determine from time to time, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries and operation of automobiles on behalf of the Master Association.

Section 8.5 Master Association Fidelity Insurance. The Master Association shall obtain fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Master Association, including persons who serve the Master Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Master Association, its officers, directors, trustees and employees.

Section 8.6 Master Association Worker's Compensation and Employer's Liability Insurance. The Master Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 8.7 Directors' and Officers' Personal Liability Insurance. The Master Association shall obtain directors' and officers' personal liability insurance to protect the officers, directors, committee members and any person acting at the discretion of the Board from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Master Association.

Section 8.8 Miscellaneous Terms Governing Insurance Carried by the Master Association. The Master Association shall maintain, to the extent reasonably available, insurance policies with the following terms or provisions:

(a) All policies of insurance shall provide that each Owner is an insured under the policy with respect to liability arising out of such Owner's membership in the Master Association.

(b) All policies of insurance shall contain waivers of subrogation against any Owner or member of his or her household.

(c) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Owner and shall provide that such policies may not be canceled or modified without prior written notice to all of the Owners as provided by Colorado law and to the Master Association.

(d) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all holders of first lien security interests at least 10 days prior to the expiration of the then-current policies.

(e) All liability insurance shall name the Master Association, the Board, the manager or managing agent, if any, the officers of the Master Association, holders of first lien security interests, their successors and assigns and Owners as insureds.

(f) Prior to the Master Association obtaining any blanket policy of casualty insurance on any Common Area, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of any Common Area and any improvements thereon, without deduction for depreciation, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof.

(g) All policies of insurance of the Master Association shall be primary, providing the primary insurance of the loss, if there is other insurance in the name of the Owner.

(h) All policies of insurance shall provide that the insurance thereunder shall not be invalidated, suspended, voidable or have any condition of recovery due to an act or omission by any Owner.

Section 8.9 Other Master Association Insurance. The Master Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Master Association responsibilities and duties.

Section 8.10 Insurance Premium. Insurance premiums for insurance provided by the Master Association shall be a Common Expense to be included as a part of the annual Assessments levied by the Master Association.

Section 8.11 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Master Association at least annually, for the purpose of determining the amount of insurance required.

Section 8.12 Adjustments by the Master Association. Any loss covered by an insurance policy described above shall be adjusted by the Master Association, and the insurance proceeds for that loss shall be payable to the Master Association and not to any holder of a first lien security interest. The Master Association shall hold any insurance proceeds in trust for the Master Association, Owners and holders of first lien security interests as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Master Association is not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 8.13 Duty to Repair. Any portion of the Community for which the Master Association is required to insure under this Article which is damaged or destroyed must be repaired or replaced promptly by the Master Association, except as provided in the Act.

Section 8.14 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record and pursuant to the Act.

Section 8.15 Responsibility for Payment of Deductible Amount. Payment of insurance deductible amounts shall be in accordance with the Rules and Regulations and/or Board policy.

Section 8.16 Insurance Assessments. If the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair due to deductibles allocated to the Master Association or failure of the Master Association to maintain coverage to defray costs of repair and reconstruction which in the absence of insurance would be the maintenance responsibility of the Master Association, the deductible or additional cost

shall be a Common Expense. This Insurance Assessment shall not be considered an Assessment as discussed in this Master Declaration and shall not require any vote or ratification of the Owners. Notwithstanding the Special Assessment procedure set forth in this Master Declaration, the insurance Assessment shall be ratified unless vetoed by 90% of the Members pursuant to Section 303(4) of the Act and as set forth in the Bylaws, as the Bylaws may be amended from time to time.

Section 8.17 Damage to or Destruction on Lots. In the event of damage to or destruction of structures or improvements on a Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure and improvements in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Master Declaration, unless a determination not to rebuild is made by the Owner in cases of substantial damage or destruction. If the structure is substantially destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction, and, thereafter, the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with this Master Declaration.

ARTICLE 9 GENERAL PROVISIONS

Section 9.1 Compliance and Enforcement.

(a) Every Owner and occupant of a Lot shall comply with the Governing Documents, and each Owner shall have the right to enforce the covenants and restrictions, as set forth in this Master Declaration.

(b) The Master Association may enforce all applicable provisions of this Master Declaration, and may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

(i) imposing reasonable monetary fines, after notice and opportunity for a hearing, which fine shall constitute a lien upon the violator's Lot;

(ii) suspending the right to vote and the right to use Common Area;

(iii) exercising self-help (including, but not limited to, performing such maintenance responsibilities which are the Owner's responsibility under this Master Declaration and assessing all costs incurred by the Master Association against the Lot and the Owner as an Assessment) or taking action to abate any violation of the Governing Documents;

(iv) requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of the Governing Documents and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed, at the Owner's expense, and any such action shall not be deemed a trespass, with all fees and costs in connection with such removal and restoration to be assessed to the Owner as an Assessment under the terms of this Master Declaration;

(v) without liability to any person, the Master Association precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Master Declaration from continuing or performing any further activities in the Community;

(vi) levying specific Assessments to cover costs incurred by the Master Association to bring a Lot into compliance with the Governing Documents; and

(vii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

(c) In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Master Association may record a notice of violation against the Owner and the Lot.

(d) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party shall be entitled to recover all costs, including, without limitation, attorney fees and court costs, reasonably incurred in such action.

(e) The decision of the Master Association to pursue enforcement action in any particular case shall be left to the Board's discretion, subject to the duty to exercise judgment and be reasonable, as provided for in this Master Declaration, and further restricted in that the Board shall not be arbitrary or capricious in taking enforcement action. A decision of the Master Association to pursue enforcement action shall not be construed as a waiver of the Master Association's right to enforce such provisions at a later time under other circumstances or preclude the Master Association from enforcing any other covenant, restriction or rule.

Section 9.2 Attorney Fees. If an Owner fails to pay any Assessment as provided in this Master Declaration, the Master Association may require reimbursement for reasonable attorney fees and costs without the necessity of commencing a legal proceeding. If an Owner or an Owner's family member, guest, tenant, invitee or licensee fails to comply with any other provision of the Governing Documents, the Master Association may seek reimbursement for reasonable attorney fees and costs incurred as a

result of such failure to comply, without the necessity of commencing a legal proceeding. In a legal proceeding in any way related to the Governing Documents or the Community, the court shall award to the party prevailing on each claim the prevailing party's reasonable attorney fees and costs incurred in asserting or defending the claim. Such reasonable attorney fees and costs, if awarded against an Owner shall be charged as an Assessment and shall constitute a lien against the Lot.

Section 9.3 Severability. Each of the provisions of this Master Declaration shall be deemed independent and severable. If any provision of this Master Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Master Declaration which can be given effect without the invalid provisions or applications.

Section 9.4 Term of Master Declaration. The covenants and restrictions of this Master Declaration shall run with and bind the land in perpetuity.

Section 9.5 Amendment of Master Declaration by Owners. Any provision, covenant, condition, restriction or equitable servitude contained in this Master Declaration may be amended, revised, removed or repealed, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval of at least more than 50% of all Owners in the Master Association and with the written consent of the Master Association. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Douglas County of a certificate setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Master Association.

Section 9.6 Amendment of Master Declaration by the Master Association. The Master Association shall have the authority to amend, revise, remove, repeal or add any provision to this Master Declaration, without Owner or mortgagee approval, in order to conform with any applicable state, city or federal law.

Section 9.7 Captions. All captions and titles used in this Master Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 9.8 Interpretation. The provisions of this Master Declaration shall be construed to effectuate their purposes of creating a uniform plan for promoting and effectuating the fundamental concepts as set forth in this Master Declaration. The Board of Directors shall have the authority to interpret the meaning of any provision contained in this Master Declaration. This Master Declaration shall be construed and governed under the laws of the State of Colorado.

Section 9.9 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 9.10 Challenge to this Amendment. All challenges to the validity of this amendment or any future amendments must be made within one year after the date of recording of this document. The covenants and restrictions of this Master Declaration shall run with and bind the land in perpetuity.

Section 9.11 Non-Waiver. Any forbearance or failure to enforce any provisions of this Master Declaration shall not operate as a waiver of any such provision or of any other provision of this Master Declaration or of any subsequent enforcement of such provision.

Section 9.12 Conflict of Provisions. In case of conflict between this Master Declaration and the Articles, the Bylaws, or any Subassociation Declaration, this Master Declaration shall control. In the case of conflict between the Articles and Bylaws, the Articles shall control.

EXHIBIT A
PROPERTY

[attached]