



2811212 12/05/2000 03:13P JA Suki Tsukamoto
2 of 56 R 280.00 D 0.00 Weld County CO

TABLE OF CONTENTS

ARTICLE 1	STATEMENT OF PURPOSE AND ESTABLISHMENT OF COVENANTS	1
Section 1.1	Establishment of Covenants	1
Section 1.2	Declarant's Intent	1
Section 1.3	Development and Use	1
Section 1.4	Agricultural Nature of Ventana Area	2
ARTICLE 2	DEFINITIONS	2
ARTICLE 3	THE VENTANA PLANNED COMMUNITY	7
Section 3.1	Establishment of Planned Community	7
Section 3.2	Declaration of Lot Boundaries	7
Section 3.3	Plat	7
Section 3.4	Recorded Easements and Licenses	7
Section 3.5	Raw Water Irrigation System	7
3.5.1	General Description	7
3.5.2	Allocation of Water	7
3.5.3	Notice of Risk, Disclaimer and Waiver	7
ARTICLE 4	THE ASSOCIATION	8
Section 4.1	Association Management Duties	8
Section 4.2	Installation of Improvements by Declarant	8
Section 4.3	Association's Responsibility for Maintenance of Common Area and Delivery of Water	8
Section 4.4	Association's Power to Grant Easements	10
Section 4.5	Membership	10
Section 4.6	Classes of Membership and Voting Rights	10
Section 4.7	Appointment of Officers and Directors by Declarant	11
Section 4.8	Owners' and Association's Addresses for Notices	11
Section 4.9	Compliance with Documents	11
Section 4.10	Rules and Regulations	12
Section 4.11	Cooperation with Local Government	12
Section 4.12	Managers	12
Section 4.13	Delegation by Association	12
Section 4.14	Ownership of Personal Property and Real Property for Common Use	12
Section 4.15	Books and Records	13
Section 4.16	Reserve Account	13
Section 4.17	Working Capital Account	13
Section 4.18	Implied Rights and Obligations	13
ARTICLE 5	DESIGN REVIEW COMMITTEE	13
Section 5.1	Committee and Guidelines	13
Section 5.2	DRC Membership and Organization	15



2811212 12/05/2000 03:13P JA Suki Tsukamoto
3 of 56 R 280.00 D 0.00 Weld County CO

Section 5.3	Purpose and General Authority	15
5.3.1	DRC Discretion	15
5.3.2	Binding Effect	15
Section 5.4	Organization and Operation of DRC	16
5.4.1	Term	16
5.4.2	Chair	16
5.4.3	Operations	16
5.4.4	Voting	16
5.4.5	Expert Consultation	16
Section 5.5	Expenses	16
Section 5.6	Other Requirements	16
Section 5.7	Limitation of Liability	16
Section 5.8	Enforcement	17
5.8.1	Inspection	17
5.8.2	Construction and Certificate of Compliance	17
5.8.3	Deemed Nuisances	17
Section 5.9	Condition of Lot Prior to and During Construction	18
Section 5.10	Continuity of Construction	18
ARTICLE 6	PROPERTY USE RESTRICTIONS	18
Section 6.1	General Restriction	18
Section 6.2	Residential Use of Lots	18
Section 6.3	Home Occupations	18
Section 6.4	Electrical, Television, Natural Gas and Telephone Service	19
Section 6.5	Signs	19
Section 6.6	Pets	19
Section 6.7	Construction Regulations of the Design Guidelines	19
Section 6.8	Temporary Structures	19
Section 6.9	Compliance with Laws	20
Section 6.10	Auto Repair	20
Section 6.11	Abandoned, Inoperable, or Oversized Vehicles	20
Section 6.12	Antennas and Satellite Dishes	20
Section 6.13	Outside Burning	20
Section 6.14	Lighting	20
Section 6.15	House Numbers	21
Section 6.16	Nuisance	21
Section 6.17	Restrictions on Alienation	21
Section 6.18	Use of Property During Construction	21
Section 6.20	Culverts and Driveways	22
Section 6.21	Fences	22
Section 6.22	Trash Removal	22
Section 6.23	Discharge of Weapons	22
Section 6.24	Zoning	23
Section 6.25	Landscaping	23



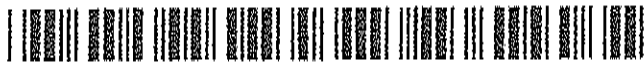
Section 5.3	Purpose and General Authority	15
5.3.1	DRC Discretion	15
5.3.2	Binding Effect	15
Section 5.4	Organization and Operation of DRC	16
5.4.1	Term	16
5.4.2	Chair	16
5.4.3	Operations	16
5.4.4	Voting	16
5.4.5	Expert Consultation	16
Section 5.5	Expenses	16
Section 5.6	Other Requirements	16
Section 5.7	Limitation of Liability	16
Section 5.8	Enforcement	17
5.8.1	Inspection	17
5.8.2	Construction and Certificate of Compliance	17
5.8.3	Deemed Nuisances	17
Section 5.9	Condition of Lot Prior to and During Construction	18
Section 5.10	Continuity of Construction	18

ARTICLE 6 PROPERTY USE RESTRICTIONS 18

Section 6.1	General Restriction	18
Section 6.2	Residential Use of Lots	18
Section 6.3	Home Occupations	18
Section 6.4	Electrical, Television, Natural Gas and Telephone Service	19
Section 6.5	Signs	19
Section 6.6	Pets	19
Section 6.7	Construction Regulations of the Design Guidelines	19
Section 6.8	Temporary Structures	19
Section 6.9	Compliance with Laws	20
Section 6.10	Auto Repair	20
Section 6.11	Abandoned, Inoperable, or Oversized Vehicles	20
Section 6.12	Antennas and Satellite Dishes	20
Section 6.13	Outside Burning	20
Section 6.14	Lighting	20
Section 6.15	House Numbers	21
Section 6.16	Nuisance	21
Section 6.17	Restrictions on Alienation	21
Section 6.18	Use of Property During Construction	21
Section 6.20	Culverts and Driveways	22
Section 6.21	Fences	22
Section 6.22	Trash Removal	22
Section 6.23	Discharge of Weapons	22
Section 6.24	Zoning	23
Section 6.25	Landscaping	23



ARTICLE 7 DRAINAGE	23
Section 7.1 Acknowledgment	23
Section 7.2 Moisture	23
Section 7.3 Grading	23
Section 7.4 Drainage	23
Section 7.5 Action by Owner	23
Section 7.6 Disclaimer	24
ARTICLE 8 OWNER'S OBLIGATIONS FOR MAINTENANCE	25
Section 8.1 Owner's Responsibility for Lot and Improvements	25
Section 8.2 Owner's Negligence	25
ARTICLE 9 COVENANT FOR MAINTENANCE ASSESSMENTS	25
Section 9.1 Creation of the Lien and Personal Obligation for Assessments	25
Section 9.2 Purpose of Assessments	26
Section 9.3 Calculation and Apportionment of Annual Assessments and Common Expenses	26
Section 9.4 Special Assessments	27
Section 9.5 Uniform Rate of Assessment	27
Section 9.6 Date of Commencement of Annual Assessments and Payment Period	27
Section 9.7 Collection	27
Section 9.8 Service Assessments	28
Section 9.9 Default Assessments	28
Section 9.10 Effect of Nonpayment of Assessment; Lien; Remedies of Association	28
Section 9.11 Successor's Liability for Assessment	29
Section 9.12 Waiver of Homestead Exemption; Subordination of the Lien	30
Section 9.13 Exempt Property	30
Section 9.14 Statement of Status of Assessments	31
Section 9.15 Failure to Assess	31
ARTICLE 10 SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS	31
Section 10.1 General Provisions	31
10.1.1 Completion of Improvements	31
10.1.2 Development Rights	31
10.1.3 Sales Activities	32
10.1.4 Easements	32
10.1.5 Association Directors and Officers	32
Section 10.2 Supplemental Provisions Regarding Declarant's Rights	32
Section 10.3 Reservation of Easements, Exceptions, and Exclusions for Utilities, Infrastructure, and Access	32
Section 10.4 Irrigation Improvements Easement	32
Section 10.5 Declarant's Rights Incident to Construction	33
Section 10.6 Easements Deemed Created	33



2811212 12/05/2000 03:13P JA Suki Tsukamoto
5 of 56 R 280.00 D 0.00 Weld County CO

ARTICLE 11	PROPERTY RIGHTS OF OWNERS	33
Section 11.1	Owners' Easements of Access and Enjoyment	33
Section 11.2	Delegation of Use	33
Section 11.3	Easements of Record and of Use	33
Section 11.4	Partition or Combination of Lots	33
Section 11.5	No Partition of Common Area	34
ARTICLE 12	INSURANCE AND FIDELITY BONDS	34
Section 12.1	Authority to Purchase	34
Section 12.2	General Insurance Provisions	34
Section 12.3	Physical Damage Insurance on Common Area	35
Section 12.4	Liability Insurance	36
Section 12.5	Fidelity Insurance	36
Section 12.6	Flood Insurance	37
Section 12.7	Provisions Common to Physical Damage Insurance, Liability Insurance, Fidelity Insurance and Flood Insurance	37
Section 12.8	Personal Liability Insurance of Officers and Directors	38
Section 12.9	Workmen's Compensation Insurance	38
Section 12.10	Other Insurance	38
Section 12.11	Insurance Obtained by Owners	38
ARTICLE 13	ASSOCIATION AS ATTORNEY-IN-FACT	39
ARTICLE 14	DAMAGE OR DESTRUCTION	39
Section 14.1	Estimate of Damage or Destruction	39
Section 14.2	Repair and Reconstruction	39
Section 14.3	Funds for Repair and Reconstruction	39
Section 14.4	Disbursement of Funds for Repair and Reconstruction	39
Section 14.5	Decision Not to Rebuild	40
Section 14.6	Damage or Destruction Affecting Lots	40
ARTICLE 15	CONDEMNATION	40
Section 15.1	Rights of Owners	40
Section 15.2	Partial Condemnation; Distribution of Award; Reconstruction	40
Section 15.3	Complete Condemnation	41
ARTICLE 16	MORTGAGEE PROTECTION	41
Section 16.1	Introduction	41
Section 16.2	Notice	41
16.2.1	Budgets, Assessments, Etc	41
16.2.2	Financial Statements	41
16.2.3	Meetings	41
16.2.4	Amendment to Bylaws or Articles	41
16.2.5	Damage	41
16.2.6	Default	42

	16.2.7 Right to Examine Books and Records	42
	16.2.8 Any Other Notice	42
Section 16.3	Form of Request	42
Section 16.4	Rights of First Mortgagees	42
	16.4.1 Abandon, Partition, Subdivide, Convey or Encumber ...	42
	16.4.2 Hazard Insurance Proceeds	42
Section 16.5	Failure to Respond	42
ARTICLE 17	ENFORCEMENT OF COVENANTS	42
Section 17.1	Violations Deemed a Nuisance	42
Section 17.2	Compliance	43
Section 17.3	Failure to Comply	43
Section 17.4	Who May Enforce	43
Section 17.5	Remedies	43
Section 17.6	Nonexclusive Remedies	43
Section 17.7	No Waiver	43
Section 17.8	No Liability	43
Section 17.9	Recovery of Costs	43
ARTICLE 18	RESOLUTION OF DISPUTES	44
ARTICLE 19	DURATION OF THESE COVENANTS AND AMENDMENT	44
Section 19.1	Term	44
Section 19.2	Amendment	44
Section 19.3	Requirement for Declarant's Approval Generally	44
Section 19.4	Effective on Recording	44
ARTICLE 20	MISCELLANEOUS PROVISIONS	45
Section 20.1	Severability	45
Section 20.2	Construction	45
Section 20.3	Headings	45
Section 20.4	Waiver	45
Section 20.5	Limitation of Liability	45
Section 20.6	Conflicts Between Documents	45
Section 20.7	Assignment	45

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS FOR
VENTANA
(A Common Interest Community)**

This Second Amendment to the Declaration of Covenants, Conditions, Restrictions, and Easements for Ventana (a Common Interest Community), dated as of May 1, 2003, is made by Ventana Development, LLC, a Colorado limited liability company ("Declarant").

Recitals

A. The Declaration of Covenants, Conditions, Restrictions, and Easements for Ventana (a Common Interest Community) was recorded with the Clerk and Recorder of Weld County, Colorado on December 5, 2000 at Reception No. 2811212. The First Amendment to Declaration of Covenants, Conditions, Restrictions, and Easements for Ventana (a Common Interest Community) was recorded with the Clerk and Recorder of Weld County, Colorado on November 30, 2001 at Reception No. 2904509. The original Declaration, as amended by the First Amendment, is referred to as the "Declaration."

B. The Roads within Ventana are described as Tract A on the Plat. At the time the Declaration was recorded, Tract A was owned by the Ventana Property Owners' Association, a Colorado non-profit corporation (the "Association"). As such, the roads were part of the Ventana Common Area for which the Association had maintenance and repair responsibility.

C. Following the necessary approval by the Association Members and First Mortgagees, the Roads have recently been dedicated to the Town of Windsor, Colorado (the "Town"). As a result, the Town has assumed the obligations for maintaining and repairing the Roads.

D. With the dedication of the Roads to the Town, it is necessary to amend the Declaration to specify that the Roads are no longer part of the Common Area and, that the Association is no longer responsible for maintenance and repair of the Roads.

E. Under 19.2 of the Declaration, the Declaration may be amended upon the written consent of Owners holding 67% or more of the votes in the Association. The undersigned Declarant currently holds at least 67% of the votes in the Association and is thus entitled to amend the Declaration.

Second Amendment

1. The definition of Common Area in Section 2.8 is amended to delete Tract A (the Roads).

After recording return to: Richard S. Gast, Myatt Brandes & Gast PC, 323 S. College Ave., Suite 1
Fort Collins, CO 80524

2. The definition of Common Expense in Section 2.9 is amended to delete any expenses relating to operation, maintenance, repair and replacement of the Roads.

3. Section 4.3 is amended so that the Association shall have no responsibility for maintenance (including snow removal) of the Roads within Tract A.

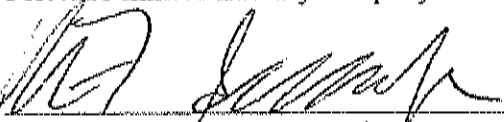
4. The Declaration is amended to include the following new Section 20.8:

Section 20.8 Roads. The Roads have been dedicated to the Town of Windsor, Colorado (the "Town"). As a result, the Roads are no longer part of the Association Common Area, and the Town (not the Association) is responsible for maintenance, repair and replacement of the Roads. The provisions of this Section 20.8 shall control over any inconsistent provisions in the Declaration, as amended.

5. Unless otherwise defined, capitalized words and phrases in this Second Amendment are as defined in the Declaration.

6. The undersigned Declarant, as the Owner holding at least 67% of the votes in the Association, consents to the foregoing Second Amendment as evidenced by its signature below.

VENTANA DEVELOPMENT, LLC,
a Colorado limited liability company

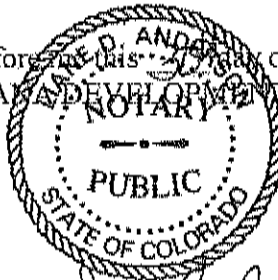
By 
Michael F. Sollenberger, Member
"Declarant"

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 29th day of May, 2003, by Michael F. Sollenberger, as Member of VENTANA DEVELOPMENT, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 10-7-06




Notary Public



2904509 11/30/2001 10:23A JA Suki Tsukamoto
1 of 2 R 10.00 D 0.00 Weld County CO

509

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS FOR
VENTANA
(A Common Interest Community)**

This First Amendment to the Declaration of Covenants, Conditions, Restrictions, and Easements for Ventana (a Common Interest Community) is made by Ventana Development, LLC, a Colorado limited liability company ("Declarant"), and is effective as of the date recorded with the Clerk and Recorder of Weld County, Colorado.

Recitals

A. The Declaration of Covenants, Conditions, Restrictions, and Easements for Ventana (a Common Interest Community) (the "Declaration") was recorded with the Clerk and Recorder of Weld County, Colorado on December 5, 2000 at Reception No. 2811212.

B. Declarant wishes to add a new Section 3.5.4 to the Declaration, to restrict the sale or encumbrance of Water Stock owned by the Association, and to amend Section 4.2 of the Declaration, which addresses Declarant-installed improvements.

C. Under Section 19.2 of the Declaration, the Declaration may be amended upon the written consent of Owners holding 67% or more of the votes in the Association. The undersigned Declarant currently holds 100% of the votes in the Association and is thus entitled to amend the Declaration.

First Amendment

1. Declarant amends the Declaration to include the following new Section 3.5.4:

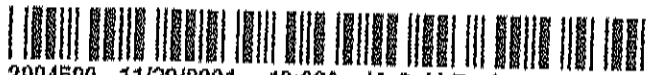
3.5.4 Restriction on Sale or Encumbrance of Water Stock. The Association shall not sell, transfer, convey or encumber all or any of the Water Stock without the prior written consent of the Town.

2. Declarant amends Section 4.2 of the Declaration to read in its entirety as follows:

Section 4.2 Installation of Improvements by Declarant. The Declarant shall install Improvements on the Common Area as required by the Development Agreement between Declarant and the Town recorded September 1, 2000 at Reception No. 2791200. Except for delays resulting from weather, acts of God, and any other circumstances beyond Declarant's control, Declarant shall install the Irrigation Improvements and Ventana entry signage by June 1, 2002.

After recording return to: Richard S. Gast, Myatt Brandes & Gast PC, 323 S. College Ave., Suite 1
Fort Collins, CO 80524

4217884



2904509 11/30/2001 10:23A JA Suki Tsukamoto
2 of 2 R 10.00 D 0.00 Weld County CO

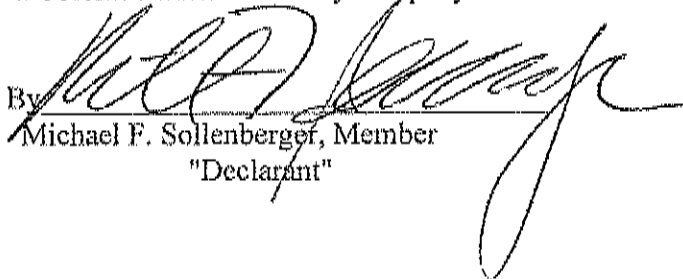
Following the installation of the Common Area Improvements, the Association shall be responsible for the maintenance, repair, renovation, management and control of such Improvements, subject to any rights previously granted to the public with respect thereto, if any.

3. Unless otherwise defined, capitalized words and phrases in this First Amendment are as defined in the Declaration.

4. The undersigned Declarant, as the Owner holding 100% of the votes in the Association, consents to the foregoing First Amendment as evidenced by the signature below.

Dated this 20 day of September, 2001.

VENTANA DEVELOPMENT, LLC,
a Colorado limited liability company

By 
Michael F. Sollenberger, Member
"Declarant"

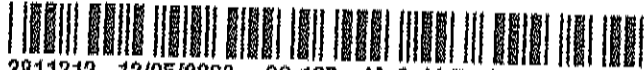
STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 20th day of September, 2001, by Michael F. Sollenberger, as Member of VENTANA DEVELOPMENT, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires:
SHAWN GRIMES
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires Aug. 10, 2005


Notary Public



2811212 12/05/2000 03:13P JA Suki Tsukamoto
1 of 56 R 280.00 D 0.00 Weld County CO

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND
EASEMENTS FOR
VENTANA**

(A COMMON INTEREST COMMUNITY)

**DECLARANT: VENTANA DEVELOPMENT, LLC, a Colorado
Limited Liability Company**

**AFTER RECORDING RETURN TO: Richard S. Gast, Myatt Brandes & Gast PC, 323 S. College Avenue,
Fort Collins, CO 80524**



2811212 12/05/2000 03:13P JA Suki Tsukamoto
7 of 56 R 280.00 D 0.00 Weld County CO

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS FOR
VENTANA
(A Common Interest Community)**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR VENTANA (this "Declaration") is made by VENTANA DEVELOPMENT, LLC, a Colorado Limited Liability Company ("Declarant"), to govern the real property located in Weld County, Colorado, which is described on the attached Exhibit "A," and which comprises a planned community known as "Ventana."

RECITALS

A. The Declarant is the owner of certain real property located in the Town of Windsor, County of Weld, State of Colorado, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference ("Property").

B. The Declarant desires to create a Common Interest Community on the Property pursuant to the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, et seq., as it may be amended from time to time.

ARTICLE 1 STATEMENT OF PURPOSE AND ESTABLISHMENT OF COVENANTS

Section 1.1 Establishment of Covenants. The Declarant hereby makes, declares, and establishes the following covenants, conditions, restrictions, and easements (collectively, these "Covenants") which shall affect all of the Property. From this day forward, the Property shall constitute a planned community known as "Ventana" under the Colorado Common Interest Ownership Act, and shall be held, sold and conveyed subject to these Covenants. These Covenants shall run with the land and shall be binding upon all persons or entities having any right, title, or interest in all or any part of the Property (including the Declarant) and their heirs, successors, and assigns, and their tenants, employees, guests, and invitees. These Covenants shall inure to the benefit of each owner of the Property.

Section 1.2 Declarant's Intent. The purpose of Declarant in making this Declaration is to create a planned community known as "Ventana" on the Property in accordance with the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 through §38-33.3-319, as amended and supplemented from time to time. Declarant intends to provide for the operation, administration, use, and maintenance of the Common Area (defined below) and other areas within the Property; to preserve, protect, and enhance the values and amenities of the Property; and to promote the health, safety and welfare of the Members (defined below) of the Association (defined below) established pursuant to this Declaration.

Section 1.3 Development and Use. Upon completion, Ventana (defined below) shall consist of a maximum of forty-seven (47) Lots (defined below) for residential use. No Lots in excess of that number may be established on the Property by the subdivision of existing Lots or by time shares or any other method.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
8 of 56 R 280.00 D 0.00 Weld County CO

Section 1.4 Agricultural Nature of Ventana Area. Ventana is located in an active and productive agricultural area. Farms, feedlots, dairies and other agricultural operations lie in close proximity to Ventana and are vital elements of the area's economy, culture, landscape and lifestyle. Given the agricultural nature of the area, Owners can be expected to encounter noise from tractors, farm equipment and aerial spraying (which noise may occur during the day or during the night); dust from animal pens, field work, harvesting and gravel roads; odor from animal confinement operations, silage and manure; smoke from ditch burning; flies and mosquitoes attracted to animal operations; the use of pesticides and fertilizers, including aerial spraying; movement of livestock or machinery on public roads; and hazards associated with oil and gas wells and related operations. Additionally, Owners, their family members, guests and invitees can expect to be exposed to various hazards from living in an agricultural area including, but not limited to, farm and oil field equipment, ponds and irrigation ditches, electrical power to pumps and center pivot operations, livestock, high and low speed traffic, noxious weeds and territorial farm dogs. Owners, their family members, guests and invitees should exercise the necessary degree of care for their protection and for the protection of the farmer's livelihood.

ARTICLE 2 DEFINITIONS

The following terms, as used in this Declaration, are defined as follows:

Section 2.1 "Act" shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 through §38-33.3-319, as amended and supplemented from time to time, or any successor legislation to these statutes.

Section 2.2 "Annual Assessments" shall mean the Assessments levied annually pursuant to Section 9.3.

Section 2.3 "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Association which have been filed with the Secretary of State of Colorado to create Ventana Property Owners' Association, as such Articles may be amended from time to time.

Section 2.4 "Assessments" shall mean the Annual, Special, Service and Default Assessments levied pursuant to Article 9 below to meet the estimated cash requirements of the Association.

Section 2.5 "Association" shall mean Ventana Property Owners' Association, a nonprofit membership corporation, or any successor to the Association by whatever name, charged with the duties and obligations set forth in this Declaration.

Section 2.6 "Board of Directors" or "Board" shall mean the Board of Directors of the Association, which is the executive board, as defined in the Act, designated in this Declaration to act on behalf of the Association.

Section 2.7 "Bylaws" shall mean the bylaws of the Association, which establish the methods and procedures of its operation, as such bylaws may be amended from time to time.

Section 2.8 "Common Area(s)" shall mean (i) Tracts A, D, E, F, G, H, I, J and those portions of Tracts B and C not otherwise dedicated to the Town of Windsor for the 20 foot wide public trail area; (ii) the landscape easements located on the corners of certain Lots within Ventana as depicted upon the Plat; and (iii) any other property in which the Association owns an interest for the common use, benefit and enjoyment of some or all of the Members and such other persons as may be permitted to use the Common Area under the terms of this Declaration or any contract with the Association. Such interest owned by the Association may include, without limitation, estates in fee, for terms of years, or easements. Portions of the above referenced Tracts may be subsequently dedicated as public trail and pedestrian easements. Following any such dedication, the dedicated portions shall not be "Common Area."

Section 2.9 "Common Expense" means (i) operation, maintenance, repair and replacement of the Roads (defined below); (ii) operation, maintenance, repair and replacement of the fencing located on the Common Areas; (iii) costs of operating and maintaining the Irrigation Improvements owned and controlled by the Association; (iv) payment of assessments for the Water Stock (defined below) owned or controlled by the Association and payment of water charges to the Town of Windsor or other water provider for use of supplemental irrigation water; (v) all expenses for maintenance, repair and replacement of landscaping within the landscaping easements depicted upon the Plat or other Common Area owned by the Association, including the landscaping within the dedicated public trail areas of Tracts B and C for a period of 3 years after this Declaration is recorded; (vi) all expenses for maintenance, repair and replacement of entrance signage; (vii) all expenses for maintenance, repair and replacement of any trails, sidewalks and pathways within the Property intended to serve the Owner of more than one (1) Lot within Ventana which have not been dedicated to the public; (viii) premiums for the insurance carried by the Association under Article 12; (ix) all other expenses incurred by the Association in administering, servicing, conserving, managing, maintaining, repairing or replacing the Common Area and any Improvements located on it; (x) all expenses expressly declared to be Common Expenses by the Ventana Documents; (xi) all expenses lawfully determined to be Common Expenses by the Board of Directors; and (xii) all expenses to be allocated among the Owners as provided in Article 9.

Section 2.10 "Declarant" shall mean Ventana Development, LLC, a Colorado Limited Liability Company, or its successors or assigns, including any Successor Declarant to the extent the rights of Declarant are assigned to the Successor Declarant, as provided in Section 20.7 below.

Section 2.11 "Default Assessment" shall mean the Assessment levied by the Association pursuant to Section 9.9

Section 2.12 "Default Rate" shall mean the lesser of (i) the rate per annum of five (5) points above the prime rate charged by the Association's bank, or such other rate as shall have been established by the Board of Directors, and (ii) the maximum rate allowed by law.

Section 2.13 "Design Guidelines" shall mean the guidelines and rules published and amended and supplemented from time to time by the Design Review Committee.

Section 2.14 "Design Review Committee" or "Committee" or "DRC" shall mean the committee formed pursuant to Article 5 to maintain the quality and architectural harmony of Improvements in Ventana.

Section 2.15 "Development Rights" is defined in Section 10.1.2 below.

Section 2.16 "Director" shall mean a member of the Board.

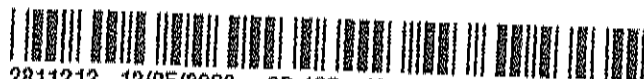
Section 2.17 "Eligible Mortgage Holder" shall mean a First Mortgagee or any insurer or guarantor of a First Mortgage which has notified the Association in writing of its name and address and status as a holder, insurer or guarantor of a First Mortgage. Such notice shall be deemed to include a request that the Eligible Mortgage Holder be given the notices and other rights described in Article 17 below, regardless of whether such Article requires notice to such party.

Section 2.18 "First Mortgage" shall mean any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 2.19 "First Mortgagee" shall mean the holder of record of a First Mortgage.

Section 2.20 "Improvement(s)" shall mean all buildings, parking areas, loading areas, fences, walls, hedges, plantings, landscaping, lighting, poles, driveways, Roads (defined below), culverts, ponds, irrigation facilities, lakes, signs, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, road construction, utility improvements, removal of trees or plantings, and any new exterior construction or exterior improvement which may not be included in the foregoing. "Improvement(s)" does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearances. "Improvement(s)" does include both original improvements and all later changes and improvements.

Section 2.21 "Irrigation Improvements" shall mean and refer to all pipes, ditches, headgates, flumes, pumps, ponds, water meters, pump stations, pump houses, turn-out structures and any other irrigation facilities, improvements and appurtenances thereto to be installed by the Declarant to provide irrigation water to one (1) or more Lots within Ventana. The term "Irrigation Improvements" shall not include any private irrigation system of an Owner located "downstream" of any water meters installed on each Lot or, if none, located "downstream" of the point of connection of the individual irrigation system to the Association's irrigation system. "Irrigation Improvements" shall only refer to that part of the irrigation system within Ventana which is intended to serve more than one (1) Lot with irrigation water and shall not include improvements installed by a Lot Owner which only serve such Owner's Lot.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
11 of 56 R 280.00 D 0.00 Weld County CO

Section 2.22 "Lot" shall mean a parcel of land designated as a lot on any Plat and reserved for any purpose other than use as streets, Roads (defined below) or Common Area. A Lot includes the Improvements, if any, located in it. Further, a Lot is a "unit" as defined in the Act.

Section 2.23 "Manager(s)" shall mean such person(s) or entity(ies) retained by the Board of Directors to perform certain functions of the Board pursuant to this Declaration or the Bylaws.

Section 2.24 "Member" shall mean any person holding membership in the Association.

Section 2.25 "Mortgage" shall mean any mortgage, deed of trust, or other document which is recorded in the office of the Clerk and Recorder of Weld County, Colorado, and which encumbers any portion of the Property or interest therein as security for the payment of a debt or obligation.

Section 2.26 "Mortgagee" shall mean any person named as a beneficiary or mortgagee under a Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.27 "Owner" shall mean the owner of record (including the Declarant and a contract purchaser), whether one (1) or more persons or entities, of fee simple title to any Lot, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or other proceedings.

Section 2.28 "Period of Declarant Control" shall mean the period during which Declarant (or a Successor Declarant) may appoint and remove Directors and officers of the Association as permitted under the Act. The Period of Declarant Control will begin on the date this Declaration is first recorded in the office of the Clerk and Recorder of Weld County, Colorado, and will end no later than (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created within the Property to Owners other than Declarant (or any Successor Declarant), (ii) two (2) years after the last conveyance of a Lot by Declarant (or any Successor Declarant) in the ordinary course of business, or (iii) the date on which Declarant (or any Successor Declarant) voluntarily terminates the Period of Declarant Control by recording a notice to that effect in the office of the Clerk and Recorder of Weld County, Colorado, whichever of the foregoing dates or events occurs first. Notwithstanding the foregoing, the Period of Declarant Control will be extended at the option of Declarant (1) if the Act is amended to allow for such extension beyond the limiting dates outlined in this Section above, or (2) if the Period of Declarant Control is reinstated or extended by agreement between Declarant and the Association. After the termination of the Period of Declarant Control, Declarant, if still an Owner, will have all the rights and duties ordinarily given to Members under this Declaration.

Section 2.29 "Person" (whether or not in capitalized form) means a natural person, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or combination of the foregoing.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
12 of 56 R 280.00 D 0.00 Weld County CO

Section 2.30 "Plat" shall mean the Final Plat of Ventana and all amendments and supplements thereto as recorded in the office of the Clerk and Recorder of Weld County, Colorado.

Section 2.31 "Property" shall mean and include the property described on Exhibit "A" owned by the Declarant and subjected to this Declaration.

Section 2.32 "Road(s)" shall mean the improved roads located within "Ventana Way," "Ventana Court," "Presado Way," "Madera Way," "Brisas Court" and "Montana Court" all of which lie within Tract A.

Section 2.33 "Service Assessment" shall mean an Assessment levied pursuant to Section 9.8.

Section 2.34 "Special Assessment" shall mean an Assessment levied pursuant to Section 9.4.

Section 2.35 "Special Declarant Rights" is defined as set forth in Section 10.1 below.

Section 2.36 "Special Declarant Rights Period" shall mean the period beginning the date this Declaration is first recorded in the office of the Clerk and Recorder of Weld County, Colorado, and ending the date on which Declarant shall have conveyed to parties (other than a Successor Declarant) all Lots originally owned by Declarant in the planned community of Ventana.

Section 2.37 "Successor Declarant" shall mean any person to whom Declarant assigns any or all of its rights, obligations or interest as Declarant, as permitted by Section 20.7 and evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Weld County, Colorado, designating such party as a Successor Declarant, signed by the transferor and the transferee, and otherwise complying with the requirements of the Act. Upon such recording, Declarant's rights and obligations under the Declaration shall cease and terminate to the extent provided in such document.

Section 2.38 "Town" shall mean and refer to the Town of Windsor, Colorado.

Section 2.39 "Ventana" shall mean the planned community created by this Declaration, consisting of the Property and all of the Improvements located on the Property. Ventana is a common interest community under the definitions of the Act.

Section 2.40 "Ventana Documents" shall mean the basic documents creating and governing Ventana, including, but not limited to, this Declaration, the Articles of Incorporation and Bylaws, the Design Guidelines, the Ventana Rules, and any other procedures, rules, regulations or policies adopted under such documents by the Association.

Section 2.41 "Ventana Rules" shall mean the rules and regulations adopted by the Association as provided in Section 4.10 below.

Section 2.42 "Water Stock" shall mean and refer to the following shares transferred by Declarant to the Association: (i) two (2) shares of The Lake Canal Company water stock; (ii) eight (8) shares of the Cache la Poudre Reservoir water stock; (iii) two (2) shares of The Windsor Reservoir and Canal Company water stock; (iv) four (4) shares of the Challgren Lateral water stock; together with any other shares of water stock or water rights acquired by the Association subsequent to the transfer of the foregoing water stock by the Declarant to the Association.

ARTICLE 3 THE VENTANA PLANNED COMMUNITY

Section 3.1 Establishment of Planned Community. By this Declaration, Ventana is established as a planned community under the Act, consisting of forty-seven (47) Lots.

Section 3.2 Declaration of Lot Boundaries. The boundaries of each Lot are designated on the Plat, and each Lot is identified by the number or address noted on the Plat.

Section 3.3 Plat. The Plat has been filed for record in the office of the Clerk and Recorder of Weld County, Colorado, and complies with the requirements of the Act.

Section 3.4 Recorded Easements and Licenses. The recording data for recorded easements and licenses appurtenant to or included in the Property is set forth on the attached Exhibit "B."

Section 3.5 Raw Water Irrigation System

3.5.1 General Description. Irrigation of landscaping on Lots and Common Area in Ventana will be done using a raw water (non-potable) irrigation system. The Irrigation Improvements will deliver water owned by the Association (which water is evidenced by the Water Stock) to each Lot. Each Lot Owner shall be responsible for design, installation and maintenance of the irrigation system on such Owner's Lot. The Association will be responsible for management and control of the Water Stock. Except as may be otherwise provided in the Ventana Rules, potable tap water cannot be used for irrigation purposes.

3.5.2 Allocation of Water. The Association shall allocate an equal amount of irrigation water and an equal proportionate right to use the Irrigation Improvements for delivery of water to each Lot and shall adopt such rules and regulations as shall be reasonably necessary to allocate and deliver to each Lot an equal share of water represented by the Water Stock. Any additional water stock acquired by the Association shall be allocated equally to each Lot in accordance with the foregoing provision.

3.5.3 Notice of Risk, Disclaimer and Waiver. Non-potable irrigation water is not fit for human consumption. Owners should take appropriate precautions to prevent any person from drinking non-potable irrigation water or otherwise making any use of such water which may be damaging to a person's health. To the extent such water may be harmful to animals, the Owners and those otherwise having the care, custody and control of such animals should also take appropriate precautions to prevent any



2811212 12/05/2000 03:13P JA Suki Tsukamoto
14 of 56 R 280.00 D 0.00 Weld County CO

animal from drinking the non-potable irrigation water or otherwise exposing the animal to such water in a manner which would be damaging to the animal's health. Neither the Declarant nor the Association shall be liable for any claims resulting from the use of non-potable irrigation water for any purpose other than irrigation and, by accepting a deed to a Lot, the Lot Owner knowingly and voluntarily waives any such claims against the Declarant, its assignees and the Association.

ARTICLE 4 THE ASSOCIATION

Section 4.1 Association Management Duties. Subject to the rights and obligations of Declarant as set forth in the Act and in this Declaration, and the rights and obligations of the Owners, the Association shall be responsible for the administration and operation of the Property. In addition, the Association may undertake contractual responsibilities relating to other property that is used by or available to the Owners in Ventana under arrangements including, without limitation, those described in Section 4.11.

The Board of Directors shall exercise for the Association all powers, duties and authority vested in or obligated to be taken by the Association and not reserved to Declarant or the other Owners by this Declaration, the other Ventana Documents, the Act or other applicable law.

Section 4.2 Installation of Improvements by Declarant. The Declarant shall install Improvements on the Common Area as required by the Development Agreement between Declarant and the Town recorded September 1, 2000 at Reception No. 2791200. Except for delays resulting from weather, acts of God, and any other circumstances beyond Declarant's control, Declarant shall install the Irrigation Improvements and Ventana entry signage by June 30, 2001, and any fencing located on Tracts A, B, C, I and J by December 31, 2001. Following the installation of the Common Area Improvements, the Association shall be responsible for the maintenance, repair, renovation, management and control of such Improvements, subject to any rights previously granted to the public with respect thereto, if any.

Section 4.3 Association's Responsibility for Maintenance of Common Area and Delivery of Water. The Association, subject to the rights and obligations of the Owners set forth in this Declaration, shall be responsible for the management and control of the Common Area and all Improvements on the Common Area (including the Roads located thereon), and shall keep them in good, clean, and attractive condition and repair, pursuant to the terms and conditions of this Declaration.

The maintenance responsibilities with regard to specific Tracts and Improvements comprising the Common Area are as follows:

- Tract A (Public Access, Drainage and Utility Easement). The Association shall be responsible for the maintenance of all Roads within Ventana (which Roads are located within Tract A), the driveways located within Tract A which connect the Lots to the Roads, the culverts underlying such driveways within Tract A, and any fencing



2811212 12/05/2000 03:13P JA Suki Tsukamoto
15 of 56 R 280.00 D 0.00 Weld County CO

to be installed by Declarant and located within Tract A contiguous to the Roads. Road maintenance by the Association shall include snow removal based on standards determined by the Board. The Association shall be responsible for the maintenance and mowing of all landscaping and grass within Tract A, and no Owner shall perform such maintenance and mowing.

- Tracts B and C (Public Trail, Recreation, Ditch Maintenance, Public Utilities, Access, Drainage and Landscape Easements). The Town shall be responsible for maintenance of the 20 foot strip of land within Tracts B and C containing (and including) the public trail, except that the Association shall be responsible for maintaining the landscaping within such dedicated strip for a period of 3 years after this Declaration is recorded, following which time the landscaping maintenance within the dedicated strip shall be the Town's responsibility. The Association shall be responsible for the maintenance of the remaining portions of Tracts B and C not dedicated to the Town and lying east of the Springer Lateral irrigation ditch, including any fencing located on such portions of Tracts B and C. Maintenance of such ditch and related improvements shall be the responsibility of the Windsor Reservoir and Canal Company, its successors and assigns.
- Tract D (Emergency Access, Recreation, Public Utility and Public Trail Easement), Tract E (Drainage and Access Easement), Tract F (Association Irrigation Access Easement), Tract G (Ditch Maintenance, Recreation, Public Utility and Public Trail Easement) and Tract H (Emergency Access Easement). The Association shall be responsible for maintenance of landscaping on Tracts D, E, F, G and H, and the Irrigation Improvements which are located on Tract F and elsewhere within Ventana. In addition, the Association shall remove snow from Tract D in accordance with Windsor/Severance Fire District regulations. Notwithstanding the foregoing, the Town shall be responsible for maintenance of any portions of these Tracts which may be dedicated to the Town for public trail easements.
- Tracts I and J (Ditch, Access, Drainage, Recreation, Public Trail and Pedestrian Easement). The Association shall be responsible for maintenance of the landscaping and fencing on Tracts I and J, but shall not be responsible for maintenance of the irrigation ditch and related improvements, which ditch and improvements shall be maintained by the ditch company. Furthermore, if the Town constructs public trail improvements on Tracts I and J and the Association dedicates to the Town a 30 foot strip of land within such tracts, the Town shall be responsible for maintenance of such dedicated strip.
- Landscape Easement and Entry Signage. The Association shall be responsible for maintenance of the corner lot landscape easements depicted on the Plat and any Ventana entry signage.

Section 4.4 Association's Power to Grant Easements. The Association, acting through the Board of Directors, may grant easements and rights of way through or over the Common Areas without the independent approval by the Owners, subject, however, to the right of Declarant and the Owners to use the Common Area as provided in this Declaration. Without limiting the generality of the foregoing, the Association may (i) grant such rights to suppliers of utilities serving the Property or property adjacent to the Property and to developers or owners of Property adjacent to the Property for the purposes of accommodating minor encroachments onto the Common Area or other purposes that do not unreasonably interfere with the use and enjoyment of the Common Area by the Owners, and (ii) dedicate to the Town public trail and pedestrian easements as shown on the Plat.

Section 4.5 Membership. Every Owner, by virtue of being an Owner, and for so long as he is an Owner, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. No Owner, whether one (1) or more persons, shall have more than one (1) membership per Lot owned, but all of the persons owning each Lot shall be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. An Owner shall not transfer, pledge or alienate his membership in the Association in any way except upon the sale or encumbrance of a Lot, and then only to the purchaser or Mortgagee of the Lot.

Section 4.6 Classes of Membership and Voting Rights. The Association shall have one (1) class of voting membership composed of all Owners, including the Declarant. The Bylaws may set forth additional classifications of membership from time to time.

All Members shall be entitled to vote on Association matters on the basis of one (1) vote for each Lot, as each Lot is originally platted by Declarant. The number of votes shall be determined by reference to the Plat for the Lot in question, as recorded by Declarant.

When more than one (1) person is an Owner of any Lot, all such persons shall be Members. The vote for such Lot may be exercised by one (1) person or alternative persons as the Owners themselves determine. If more than one (1) of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only by agreement of a majority in interest of the Owners. There is a majority of agreement if any one (1) of the multiple Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

Any party, on becoming a Member, shall furnish to the Secretary of the Association a photocopy or certified copy of the recorded instrument, or such other evidence as may be specified by the Board under the Bylaws or the Ventana Rules, vesting the party with the interest required to make it a Member of the Association. At the same time, the party shall provide the Association with the address to which the Association shall send any notices given pursuant to the Ventana Documents. In the event of any change in the facts reported in the original written notice, including any change of address, the Member shall give a new written notice to the Association containing all of the information required to be covered in the original notice. The Association shall keep and preserve the most recent written notice received by the Association with respect to each Member.

Section 4.7 Appointment of Officers and Directors by Declarant. Until the expiration of the Period of Declarant Control and subject to the limitations of the Act, Declarant shall retain the exclusive powers to appoint and remove the Board of Directors and officers of the Association.

Notwithstanding the foregoing, Declarant may voluntarily surrender the right to appoint and remove the Board of Directors and officers of the Association before the end of the Period of Declarant Control by providing a notice to that effect to the Association and otherwise complying with the procedures for termination of this Special Declarant Right, as set forth in the Bylaws. However, upon voluntarily terminating this Special Declarant Right in advance of the expiration of the Period of Declarant Control, Declarant may require that specified actions of the Association or the Board, as described in an instrument executed and recorded by Declarant in the office of the Clerk and Recorder of Weld County, Colorado, be approved by Declarant before those actions become effective.

Section 4.8 Owners' and Association's Addresses for Notices. All Owners of each Lot shall have one (1) and the same registered mailing address to be used by the Association or other Owners for notices, demands and all other communications regarding Association matters. The Owner or Owners of a Lot shall furnish the registered address to the Secretary of the Association within five (5) days after receiving title to the Lot. The registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interests of all Owners of the Lot.

If no address is registered or if all of the Owners cannot agree, then the address of the Lot shall be deemed the registered address until another registered address is furnished as required under this Section.

If the address of the Lot is the registered address of the Owners, then any notice shall be deemed duly given if delivered to any person occupying the Lot or sent to the Lot by any other means specified for a particular notice in any of the Ventana Documents, or if the Lot is unoccupied, if the notice is held and available for the Owners at the principal office of the Association.

All notices and demands intended to be served upon the Board of Directors shall be sent to the address of the Association or such other address as the Board may designate from time to time by a notice delivered to all Owners in accordance with this Section.

Unless any section of this Declaration or the Act expressly provides otherwise, all notices given under this Declaration shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one (1) business day following timely deposit with a courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three (3) days after deposit in the United States mail.

Section 4.9 Compliance with Documents. Each Owner shall abide by and benefit from the provisions, covenants, conditions, and restrictions contained in the Ventana Documents.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
18 of 56 R 280.00 D 0.00 Weld County CO

Section 4.10 Rules and Regulations. The Association, from time to time and subject to the provisions of the Ventana Documents, may adopt, amend and repeal rules and regulations, to be known as the "Ventana Rules," governing, among other things and without limitation, the use of the Common Area (excluding that portion of the Common Area dedicated for public use). A copy of the Ventana Rules in effect shall be distributed to each Member of the Association, and any change in the Ventana Rules shall be distributed to each Member within a reasonable time following the effective date of the change. The Board of Directors of the Association shall provide for the enforcement of the Ventana Rules, as set forth in the Bylaws. Without limiting the generality of the foregoing, the Board may suspend voting rights of a Member after notice and hearing as provided in the Bylaws for an infraction of the Ventana Rules.

Section 4.11 Cooperation with Local Government. The Association will cooperate with local governmental and quasi-governmental authorities in all respects to enable the Association and such authorities to efficiently and economically provide their respective services to the Owners. It is contemplated that from time to time either the Association or any of those authorities may use the services of the other in furthering their respective obligations, and they may contract with each other to better provide for such cooperation. The expenses of performing any such services will be Common Expenses. The Association shall also cooperate with the applicable traffic and fire control officials to post public and private Roads, trails, and/or pathways with traffic control, fire lane, parking regulation and other regulatory signs.

Section 4.12 Managers. The Association may contract for the services of one or more Managers to act for the Association and the Board and the officers according to the powers and duties delegated to the Managers pursuant to the Bylaws or resolution of the Board, provided that no such contract shall have a term of more than three (3) years, and each such contract shall be subject to cancellation by the Association on ninety (90) days' or less prior notice without cause and without payment of a termination fee. Subject to the foregoing contract restrictions, the Association shall contract with a professional irrigation management company for management and maintenance of the Irrigation Improvements and all matters relating to the Water Stock. The Managers shall not have the authority to make expenditures for additions or Improvements except upon specific prior approval and direction by the Board. The Board or any officer of the Association shall not be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 4.13 Delegation by Association. The Association may delegate any of its rights, duties or responsibilities to any committee or other entity which it may choose to form. Any delegation by the Board under this Section is subject to compliance with the Act and the Bylaws and the requirement that the Board, when so delegating, shall not be relieved of its responsibilities under the Ventana Documents or the Act.

Section 4.14 Ownership of Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall

accept any real or personal property, leasehold, or other property interests within Ventana and conveyed to the Association by Declarant.

Section 4.15 Books and Records. The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and Mortgagees, current copies of the Ventana Documents, and the books, records, and financial statements of the Association prepared pursuant to the Bylaws. Any Owner or Mortgagee may make a written request to the Association for a copy of the financial statements for the preceding year. The Association may charge a reasonable fee for copying such materials.

Section 4.16 Reserve Account. The Association shall establish and maintain an adequate reserve fund from Annual Assessments levied pursuant to Article 9 below for maintenance, repair or replacement of those Common Areas and Improvements located within such areas that must be replaced on a periodic basis.

Section 4.17 Working Capital Account. In order to provide the Association with adequate working capital funds, the Association shall collect at the time of the sale of each Lot an amount equal to two (2) months' installments of the Annual Assessments at the rate in effect at the time of the sale. The Association shall maintain such funds in a segregated account to meet unforeseen expenditures or to acquire additional equipment or services for the benefit of the Members. Such payments to this fund shall not be considered advance payments of Annual Assessments.

Section 4.18 Implied Rights and Obligations. The Association shall perform all of the duties and obligations imposed on it expressly by the Ventana Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Ventana Documents or reasonably necessary to satisfy any such duty or obligation reasonably to be implied from the express provisions of the Ventana Documents or reasonably necessary to satisfy any such duty or obligation. The Association may exercise any other right or privilege (i) given to it expressly by the Ventana Documents, or (ii) reasonably to be implied from the existence of any right or privilege given expressly by the Ventana Documents or (iii) reasonably necessary to effectuate any such right or privilege.

ARTICLE 5 DESIGN REVIEW COMMITTEE

Section 5.1 Committee and Guidelines. There is hereby established a Design Review Committee, which shall be responsible for the establishment and administration of Design Guidelines to facilitate the purposes and intent of this Declaration. The DRC may issue and enforce separate and distinct Design Guidelines applicable to a specific area within the planned community of Ventana, as well as Design Guidelines that relate to Ventana generally. Further, the DRC may amend, vary, repeal and augment the Design Guidelines from time to time, in the DRC's sole discretion based on concerns for good planning and design, the aesthetic, architectural and environmental harmony of Ventana or other factors as necessary or desirable to fulfill the intent of the Design Guidelines. The Design Guidelines shall be binding on all Owners and other persons governed by this Declaration.

The Design Guidelines may include, among other things, those restrictions and limitations set forth below:

5.1.1 Standards establishing and dictating an architectural theme and requirements pertaining to building style and design, construction materials and site planning.

5.1.2 Procedures for making application to the DRC for design review approval, including the documents to be submitted and the time limits in which the DRC must act to approve or disapprove any submission.

5.1.3 Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required under the Design Guidelines.

5.1.4 Designation of a building site on a Lot, establishing the maximum developable area of a Lot and set-back or view corridor requirements.

5.1.5 Minimum and maximum square foot areas of living space that may be developed on any Lot.

5.1.6 Limitations on the height of any building or other Improvement.

5.1.7 Specifications for the location, dimensions and appearance or screening of any fences, accessory structures, antennae or other such Improvements.

5.1.8 Landscaping regulations, including requirements for installing and maintaining landscaping on the entire Lot and in certain areas identified in the Design Guidelines, on parkways abutting the Lot and the street or Road providing access to the Lot; time limitations within which all landscaping must be completed; limitations and restrictions prohibiting the removal or requiring the replacement of existing trees; and guidelines encouraging the use of plants indigenous to the locale and compatible with the design theme in question; and other practices benefitting the protection of the environment, aesthetics and architectural harmony of Ventana. Notwithstanding the foregoing, the Declarant shall be responsible for the installation of all landscaping within the Common Area in accordance with the landscaping plan approved by the Town. Landscaping of the Lots shall be the responsibility of the Owners thereof.

5.1.9 Regulations for parking vehicles off of the street, within an enclosed garage or a designated area on a Lot.

5.1.10 General instructions for the construction, reconstruction, refinishing or alteration of any Improvement, including any plan to excavate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Property, addressing matters such as loading

areas, waste storage, trash removal, equipment and materials storage, grading, transformers and meters.

5.1.11 Minimum set-back from existing ditches located within the Property.

5.1.12 Designation of front-entry garages or side-entry garages.

5.1.13 Restrictions on driveways providing direct access to traffic circles.

Section 5.2 DRC Membership and Organization. The DRC shall be composed of not less than three (3) nor more than five (5) persons. The DRC may include one (1) or more professional design consultants, but need not include any Member of the Association. All members of the DRC shall be appointed, removed and replaced by Declarant, in its sole discretion, until the Period of Declarant Control expires. At that time, the Board of Directors shall succeed to Declarant's right to designate the number of and to appoint, remove or replace the members of the DRC. DRC members may also be Board members.

Section 5.3 Purpose and General Authority. The DRC shall review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the Design Guidelines and such rules and regulations as the DRC may establish from time to time to govern its proceedings. No Improvement shall be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor shall any construction, repair or reconstruction be commenced until plans for the Improvements shall have been approved by the DRC; provided, however, that Improvements that are completely within a building may be undertaken without such approval. All Improvements shall be constructed only in accordance with approved plans.

5.3.1 DRC Discretion. The DRC shall exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, quality and type of construction, materials, color, location on the Lot, height, grade and finished ground elevation, and the schemes and aesthetic considerations set forth in the Design Guidelines and the other Ventana Documents. The DRC, in its sole discretion based on concerns for good planning and design, the aesthetic, architectural and environmental interests of Ventana, or other factors as necessary or desirable to fulfill the intent of the Design Guidelines, may excuse compliance with such requirements in specific situations and may permit compliance with different or alternative requirements.

5.3.2 Binding Effect. The actions of the DRC in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

Section 5.4 Organization and Operation of DRC.

5.4.1 Term. The term of office of each member of the DRC, subject to Section 5.2, shall be one (1) year, commencing January 1 of each year, and continuing until his successor shall have been appointed. Should a DRC member die, retire or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed by the Board of Directors of the Association.

5.4.2 Chair. So long as Declarant appoints the DRC, Declarant shall appoint the chair. At such time as the DRC is appointed by the Board of Directors, the chair shall be elected annually from among the members of the DRC by a majority vote of the members. In the absence of a chair, the party responsible for appointing or electing the chair may appoint or elect a successor, or if the absence is temporary, an interim chair.

5.4.3 Operations. The DRC chair shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the DRC prior to any meeting. The notice shall set forth the time and place of the meeting, and notice may be waived by any member.

5.4.4 Voting. The affirmative vote of a majority of the members of the DRC shall govern its actions and be the act of the DRC.

5.4.5 Expert Consultation. The DRC may avail itself of other technical and professional advice and consultants as it deems appropriate, and the DRC may delegate its plan review responsibilities, except final review and approval, to one (1) or more of its members or to consultants retained by the DRC. Upon that delegation, the approval or disapproval of plans and specifications by such member or consultant shall be equivalent to approval or disapproval by the entire DRC.

Section 5.5 Expenses. Except as provided in this Section below, all expenses of the DRC shall be paid by the Association and shall constitute a Common Expense. The DRC shall have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the DRC from time to time, and such fees shall be collected by the DRC and remitted to the Association to help defray the expenses of the DRC's operation.

Section 5.6 Other Requirements. Compliance with the Ventana design review process is not a substitute for compliance with the Town building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to commencing construction of Improvements.

Section 5.7 Limitation of Liability. The DRC shall use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the DRC nor any individual DRC member shall be liable to any person for any official act of the DRC in connection with submitted plans and specifications, except to the extent the DRC or any individual DRC member

acted with malice or wrongful intent. Approval by the DRC does not necessarily assure approval by the appropriate governmental board or commission for the Town. Notwithstanding that the DRC has approved plans and specifications, neither the DRC nor any of its members shall be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the Improvements. Neither the Board, the DRC, nor any agent thereof, nor Declarant, nor any of its partners, members, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Ventana Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the DRC shall be defended and indemnified by the Association in any such suit or proceeding which may arise by reason of the DRC's decision. The Association, however, shall not be obligated to indemnify each member of the DRC to the extent any such member of the DRC is adjudged to be liable for negligence or misconduct in the performance of his duty as a member of the DRC, unless and then only to the extent that the court in which such action or suit may be brought determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

Section 5.8 Enforcement.

5.8.1 Inspection. Any member or authorized consultant of the DRC, or any authorized officer, Director, employee or agent of the Association may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect Improvements constructed or under construction on the Lot to determine whether the Improvements have been or are being built in compliance with the Ventana Documents and the plans and specifications approved by the Design Review Committee.

5.8.2 Construction and Certificate of Compliance. All Improvements constructed upon a Lot shall be constructed in strict accordance with the plans approved by the DRC. Upon written request of any Owner or his agent, an existing or prospective Mortgagee, or a prospective grantee, and upon payment of a reasonable fee established from time to time by the DRC, the DRC shall issue a certificate setting forth generally whether, to the best of the DRC's knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Design Guidelines.

5.8.3 Deemed Nuisances. Every violation of these Covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against a Member shall be applicable. Without limiting the generality of the foregoing, these Covenants may be enforced as provided below.

(i) Fines for Violations. The DRC may adopt a schedule of fines for failure to abide by the DRC rules and the Design Guidelines, including fines for failure to obtain any required approval from the DRC.

(ii) Removal of Nonconforming Improvements. The Association, upon request of the DRC, shall have the right to obtain a court order from a Colorado court of competent jurisdiction to remove any Improvement constructed, reconstructed, refinished, altered or maintained upon a Lot in violation of these Covenants.

Section 5.9 Condition of Lot Prior to and During Construction. Prior to and during construction of any residential dwelling on a Lot, the Lot Owner (other than Declarant) shall cut weeds and install grass or other suitable groundcover as may be first approved by the DRC to eliminate blowing dirt, weeds and unsightly appearances on the Lot. If such Owner fails to do so, the DRC may impose fines and penalties, which shall be pursuant to the schedule of fines and penalties adopted by the DRC from time to time.

Section 5.10 Continuity of Construction. All Improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within twelve (12) months after commencement, unless an exception is granted in writing by the DRC.

ARTICLE 6 PROPERTY USE RESTRICTIONS

Section 6.1 General Restriction. The Property shall be used only for the purposes set forth in this Declaration, as permitted by the applicable ordinances of the Town, County of Weld, and the laws of the State of Colorado and the United States, and as set forth in the Ventana Documents or other specific recorded covenants affecting all or any part of the Property.

Section 6.2 Residential Use of Lots. Subject only to the provisions of Section 6.3 below, each Lot may be used only for residential purposes and developed by the construction of a single family residence ("Residence"). No business or commercial building may be erected on any Lot, and no business or commercial enterprise or other non-residential use may be conducted on any part of a Lot, except as provided in Section 6.3 below.

Section 6.3 Home Occupations. The conduct of a home occupation within a dwelling unit on a Lot shall be considered accessory to the residential use and shall not be deemed a violation of these Covenants, provided that the following requirements are met:

6.3.1 Such home occupation shall be conducted only within the interior of the dwelling unit and shall not occupy more than twenty-five percent (25%) of the floor area within the dwelling unit.

6.3.2 The home occupation shall be conducted only by residents of the dwelling unit and no non-residents shall be employed in connection with the home occupation carried on in the dwelling unit.

6.3.3 No retail sales shall be conducted upon a Lot.

6.3.4 Only those home occupations which require no visits from customers and no parking at or near the dwelling unit in connection with such occupation shall be allowed.

6.3.5 There shall be no evidence of a home occupation visible from the outside of the dwelling unit.

6.3.6 The conduct of such home occupation must be permitted under the zoning ordinances of the Town and/or County of Weld.

Section 6.4 Electrical, Television, Natural Gas and Telephone Service. All electrical, television, natural gas and telephone service installations shall be placed underground.

Section 6.5 Signs. No signs of any kind shall be displayed to the public view on or from any portion of the Property except, during the Special Declarant Rights Period, signs of Declarant or its affiliates or assigns (which shall be approved by the Committee), signs required by law, and "For Sale" or "For Rent" signs, the size, number, design and location of which shall comply with the Design Guidelines.

Section 6.6 Pets. No animals, including, but not limited to, livestock, goats, miniature horses, poultry, or reptiles shall be raised, bred, or kept on a Lot within Ventana except as hereinafter provided. A reasonable number of cats, dogs or other common household pets may be kept on a Lot, provided that (i) they are not kept, bred, or maintained for any commercial purposes; (ii) in the Board's opinion, they do not make objectionable noises or otherwise constitute an unreasonable nuisance to the Owners; (iii) they are kept within an enclosed yard on a Lot occupied by the owner of such pets or on a leash being held by a person capable of controlling the animal; and (iv) they are not in violation of any other provision of these Covenants or the Ventana Rules. A "reasonable number" as used in this Section shall ordinarily mean not more than three (3) pets per Lot, provided, however, that the Board may, from time to time, determine that a reasonable number in any instance may be more or less than three (3). The Association, acting through its Board, shall have the right to prohibit maintenance of any animal which, in the sole opinion of the Board, is not being maintained in accordance with the restrictions herein. The Board may further adopt and enforce additional rules and regulations governing the subject of pets within Ventana.

Section 6.7 Construction Regulations of the Design Guidelines. All Owners and contractors shall comply with the portions of the Design Guidelines regulating construction activities. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owners' representatives on the Property at any time; the conservation of landscape materials; and fire protection.

Section 6.8 Temporary Structures. No temporary structures shall be permitted except as may be determined to be necessary during construction and as specifically authorized by the Committee, and except as necessary for the exercise by Declarant of the Special Declarant Rights.



2811212 12/05/2008 03:13P JA Suki Tsukamoto
26 of 56 R 280.00 D 0.00 Weld County CO

Section 6.9 Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Property.

Section 6.10 Auto Repair. No work on automobiles or other vehicle repair shall be performed in any visible or exposed portion of Ventana except in emergencies.

Section 6.11 Abandoned, Inoperable, or Oversized Vehicles. No abandoned or inoperable vehicles of any kind shall be stored or parked on any portion of the Property, except as provided below. "Abandoned or inoperable vehicle" is defined as any vehicle which has not been driven under its own propulsion for a period of three (3) days or longer; provided, however, this shall not include vehicles parked by Owners while on vacation or residing away from Ventana. A written notice describing the "abandoned or inoperable vehicle" and requesting its removal may be personally served upon the owner or posted on the unused vehicle. If such vehicle has not been removed within seventy-two (72) hours after notice has been given, the Association shall have the right to remove the vehicle without liability, and the expense of removal shall be a Default Assessment charged against the Owner as provided in Section 9.9. All unsightly or oversized vehicles, recreational vehicles, snow removal equipment, garden maintenance equipment, and all other oversized or unsightly equipment, machinery or vehicles may not be parked or stored on the Property except within a residential garage or accessory structure, if any, approved by the DRC. "Oversized" vehicles, for purposes of this Section, shall be vehicles, including recreational vehicles, which are too high to clear the entrance to a customary residential garage.

Section 6.12 Antennas and Satellite Dishes. All external radio antennas, television antennas, satellite dishes or other external signal-receiving devices shall be installed or erected in such a manner and with appropriate screening as shall be required by the Design Guidelines. The Design Guidelines shall encourage the use of screening, unobtrusive placement, painting, and other measures to ensure that the aesthetics of the Property are protected and to ensure the safety of the installation of any such devices. In no event shall any satellite dish in excess of one (1) meter in diameter be permitted within the Property. The Design Review Committee may promulgate reasonable rules and regulations to regulate the proposed locations and require screening or painting to minimize visual intrusion of such devices, provided that no such rules and regulations shall impair dish or antenna reception nor result in an unreasonable cost or delay in the installation and maintenance of a satellite dish or antenna.

Section 6.13 Outside Burning. There shall be no exterior fires, except barbecues, outside fireplaces and braziers contained within facilities or receptacles and in areas designated and approved by the Committee. Incinerators and incinerator fires are prohibited. No Owner shall permit any condition upon its portion of the Property which creates a fire hazard or is in violation of fire prevention regulations.

Section 6.14 Lighting. All exterior lighting of the Improvements and grounds on the Property shall be subject to regulation by the Design Review Committee.

Section 6.15 House Numbers. Each residence on a Lot shall have a house number with a design and location established by the Committee.

Section 6.16 Nuisance. No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its occupants. No activity which creates a foul or unpleasant odor as determined by the DRC shall be permitted on any Lot.

Section 6.17 Restrictions on Alienation. A Lot may not be conveyed pursuant to a time-sharing plan.

Section 6.18 Use of Property During Construction. It shall be expressly permissible and proper for Declarant and any Owner acting with the prior written consent of the Committee, and their respective employees, agents, independent contractors, successors, and assigns involved in the construction of Improvements on, or the providing of utility service to, the Property or other real property owned by Declarant, to perform such activities and to maintain upon portions of the Property as they deem necessary, such facilities as may be reasonably required, convenient, necessary or incidental to such construction and development of the Property. This permission specifically includes, without limiting the generality of the foregoing, maintaining storage areas, construction yards and equipment and signs. However, no activity shall be performed and no facility shall be maintained on any portion of the Property in such a way as to unreasonably interfere with or disturb any purchaser or Owner of a Lot, or to unreasonably interfere with the use, enjoyment or access of such Owner or his tenants, employees, guests, or business invitees, of and to his Lot. If any Owner's use under this provision is deemed objectionable by the Design Review Committee, then the Design Review Committee, as applicable, in its sole discretion, may withdraw this permission.

Notwithstanding the foregoing, this Section shall not operate to prevent the exercise of any Special Declarant Rights.

Section 6.19 Leasing. The Owner of a Lot shall have the right to lease his dwelling unit and Lot, subject to the following conditions:

6.19.1 All leases shall be in writing and shall be for a term of not less than thirty (30) days.

6.19.2 The lease shall be specifically subject to the Ventana Documents, and any failure of a tenant to comply with the Ventana Documents shall be a default under the lease.

6.19.3 The Owner shall be liable for any violation of the Ventana Documents committed by the Owner's tenant, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant.

Section 6.20 Culverts and Driveways. The Owner of each Lot shall install culverts whenever driveways or other personal roads are constructed on such Owner's Lot or on Tract A in locations which may interfere with stormwater drainage or irrigation flows. All such culverts shall meet the requirements of the Design Review Committee, including, but not limited to, diameter size, type of material and shape of culvert. The Owner of each Lot shall be responsible for construction, in accordance with Design Review Committee standards, of all driveways and other personal roads on such Owner's Lot, as well as any portion of the driveway located on Tract A which connects such Lot to the Roads within Tract A. The Association shall maintain the portion of the driveway and the culvert within Tract A, and the Owner of each Lot shall maintain the driveways, other personal roads and culverts on such Owner's Lot.

Section 6.21 Fences. No perimeter fencing shall be installed on the boundary line of any Lot other than the perimeter fence to be installed by the Declarant separating Tract A from each Lot. No Owner may install fencing on any Common Area or public trail easements. Fencing meeting the design criteria of the Design Review Committee may be installed within the landscape envelope on each Lot, provided that the proposed fencing is first approved in writing by the Design Review Committee.

Section 6.22 Trash Removal. In order to minimize damage to the Roads, excessive noise and unsightliness within Ventana, the Association, acting through its Board of Directors, shall have the right to require trash collection from Lots to be performed by only one (1) company and that the trash shall be collected from all Lots by such trash company on the same day of each week. The Association shall further have the right to restrict the placement of trash receptacles outside for collection on any day other than the actual day for trash collection. The Board of Directors shall select the trash collection company based upon competitive bids. The cost of removal of trash and debris from an Owner's Lot shall be paid by each Lot Owner directly to the trash collection company and the Association shall not have the duty to assess the cost of trash collection as a Common Expense. No Owner shall be deemed prohibited from personally disposing of trash from his Lot within Ventana.

This Section 6.22 shall not apply to any contractor during the construction of a dwelling unit or other Improvements on a Lot. The contractor may dispose of trash, rubbish, debris and other construction material from the Lot either personally or by contracting with a trash collection company. The trash collection company may remove trash, rubbish, debris and other construction material from the Lot during the construction of the dwelling unit as often as the contractor deems appropriate or as required by the Design Review Committee. However, all trash to be removed from Ventana, including trash removed during the period of construction, shall be subject to such rules and regulations as shall be established from time to time by the Association for the purpose of minimizing damage to the Roads.

Section 6.23 Discharge of Weapons. No person shall fire or shoot any gun, pistol, revolver, rifle, shotgun, crossbow, bow and arrow, slingshot, pellet gun or other firearm or weapon whatsoever within any portion of Ventana, including the Owner's own Lot. Notwithstanding the foregoing, the

discharge of firearms or weapons by any member of any law enforcement office in the course of such member's official duty shall not be deemed a violation of this provision.

Section 6.24 Zoning. Zoning laws, ordinances, resolutions, rules and regulations are considered to be a part hereof, and no provision of this Declaration shall be valid or be interpreted to violate any present or future zoning laws, ordinances, resolutions, rules or regulations.

Section 6.25 Landscaping. Lot landscaping shall be in accordance with the Design Guidelines.

ARTICLE 7 DRAINAGE

Section 7.1 Acknowledgment. The soils within the State of Colorado consist of both expansive soils and low-density soils which will adversely affect the integrity of the Residence if the Residence and the Lot on which it is constructed are not properly maintained. Expansive soils contain clay minerals which have the characteristic of changing volume with the addition or subtraction of moisture, thereby resulting in swelling and/or shrinking soils. The addition of moisture to low-density soils causes a realignment of soil grains, thereby resulting in consolidation, expansion and/or collapse of the soils.

Section 7.2 Moisture. Each Owner of a Lot shall use his best efforts to assure that the moisture content of those soils supporting the foundation and the concrete slabs forming a part of the Residence constructed thereon remain stable and shall not introduce excessive water into the soils surrounding the Residence.

Section 7.3 Grading. Each Owner of a Lot shall maintain the elevation, grading and drainage plan approved by the Town, by utility providers and by the Declarant. The Lot elevation cannot be lower than shown on this plan without approval of the Design Review Committee. The grading plan for a Lot will be provided upon request made to the Design Review Committee by the Lot Owner or his agent.

Section 7.4 Drainage. No Owner shall do or permit any work, place any landscaping or install any other Improvements or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Property, except to the extent such alteration and drainage pattern is approved in writing by the Committee or the Board of Directors, and except for rights reserved to Declarant to alter or change drainage patterns.

Section 7.5 Action by Owner. To accomplish the foregoing, each Owner of a Lot covenants and agrees, among other things:

7.5.1 Not to install Improvements, including, but not limited to, landscaping, items related to landscaping, walls, walks, driveways, parking pads, patios, fences, additions to the Residence, outbuildings or any other item or improvement which will change the grading of



2811212 12/05/2000 03:13P JA Suki Tsukamoto
30 of 56 R 280.00 D 0.00 Weld County CO

the Lot. The installation of such Improvements is acceptable so long as the manner of installation is consistent with and does not change, the grading and drainage patterns of the Lot and the Property.

7.5.2 To fill with additional soil any back-filled areas adjacent to the foundation of the Residence and in or about the utility trenches on the Lot in which settling occurs to the extent necessary from time to time to maintain the grading and drainage patterns of the Lot.

7.5.3 Not to water the lawn or other landscaping on the Lot excessively.

7.5.4 Not to plant flower beds (especially annuals) and vegetable gardens adjacent to or within three (3) feet of the foundation and slabs of the Residence.

7.5.5 If evergreen shrubbery and grass are used within five (5) feet of the foundation walls, to water the shrubbery and grass by controlled hand watering and to avoid excessive watering.

7.5.6 To minimize or eliminate the installation of piping and heads for sprinkler systems within five (5) feet of foundation walls and slabs.

7.5.7 To install any gravel beds in a manner which will assure that water will not pond in the gravel areas, whether due to non-perforated edging or due to installation of the base of the gravel bed at a level lower than the adjacent lawn.

7.5.8 To install a moisture barrier (such as polyethylene) under any gravel beds.

7.5.9 To maintain the gutters and downspouts which discharge water into extensions or splash blocks by assuring that (i) the gutters and downspouts remain free and clear of all obstructions and debris; (ii) the water that flows from the extension or the splash block is allowed to flow rapidly away from the foundation and/or slabs; and (iii) the splash blocks are maintained under sill cocks.

7.5.10 To re-caulk construction joints opening up between portions of the exterior slabs and garage slabs in order to thereby seal out moisture.

7.5.11 Not to alter, block, obstruct or obliterate, in any manner, any drainage swales, pans, easements or channels located or installed, or required to be located or installed, upon the Property pursuant to established drainage plans.

Section 7.6 Disclaimer. The Declarant shall not be liable for any loss or damage to the Residence or Lot caused by, resulting from, or in any way connected with soil conditions on any Lot.

ARTICLE 8 OWNER'S OBLIGATIONS FOR MAINTENANCE

Section 8.1 Owner's Responsibility for Lot and Improvements. Except as provided in the Ventana Documents or by written agreement with the Association, all maintenance of a Lot, and the Improvements located thereon shall be the sole responsibility of the Owner of the Lot. Each Owner shall perform such Owner's maintenance obligations in accordance with the Ventana Documents and the community-wide standard of Ventana. The Association shall, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance being provided by such Owner does not satisfy the requirements of the Ventana Documents or such standard. Before assuming the maintenance responsibilities, the Board shall notify the Owner in writing of its intention to do so, and if the Owner has not commenced and diligently pursued remedial action within thirty (30) days after the mailing of such written notice, then the Association shall proceed. The expenses of the maintenance by the Board shall be reimbursed to the Association by the Owner within thirty (30) days after the Association notifies the Owner of the amount due, and any sum not reimbursed within that thirty (30) day period shall bear interest at the Default Rate from the date of the expenditure until payment in full. Such charges shall be a Default Assessment enforceable as provided in Article 9.

Section 8.2 Owner's Negligence. If the need for maintenance, repair or replacement of any portion of the Common Area (including Improvements located on it) arises because of the negligent or willful act or omission of an Owner or his family member, guest, invitee or tenant, then the expenses incurred by the Association for the maintenance, repair or replacement shall be a personal obligation of that Owner. If the Owner fails to repay the expenses incurred by the Association within thirty (30) days after the notice to the Owner of the amount owed, then those expenses shall bear interest at the Default Rate from the date of the advance by the Association until payment by the responsible Owner in full, and all such expenses and interest shall become a Default Assessment enforceable in accordance with Article 9.

ARTICLE 9 COVENANT FOR MAINTENANCE ASSESSMENTS

Section 9.1 Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed, are deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges as provided in this Declaration to generally carry out the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration, such Annual and Special Assessments to be fixed, established, and collected from time to time as provided below; (3) Service Assessments which may be assessed against a Lot for optional special services provided to such Lot at the request of the Owner thereof; and (4) Default Assessments which may be assessed against a Lot pursuant to the Ventana Documents for the Owner's failure to perform an obligation under the Ventana Documents or because the Association has incurred an expense on behalf of the Owner under the Ventana Documents.

The Annual, Special, Service and Default Assessments, together with fines, interest, costs, and reasonable attorneys' (and legal assistants') fees and other charges allowed under the Act, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made until paid.

Each such Assessment, together with fines, interest, costs, and reasonable attorneys' (and legal assistants') fees and other charges allowed under the Act, shall also be the personal and individual obligation of the Owner of such Lot as of the time the Assessment falls due, and two (2) or more Owners of a Lot shall be jointly and severally liable for such obligations. No Owner may exempt himself from liability for any Assessments by abandonment of his Lot or by waiver of the use or enjoyment of the Common Area. Suit to recover a money judgment for unpaid Assessments and related charges as listed above may be maintained without foreclosing or waiving the Assessment liens provided in this Declaration.

Section 9.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of Ventana, to improve and maintain the Common Area by actions including, but not limited to, the payment of taxes and insurance on the Common Area; payment for repair, replacement, and additions to any other Improvements on the Common Area, including Irrigation Improvements; payment of assessments made against the Water Stock; establishment of reserve accounts; and payment of the cost of labor, equipment, materials, management, and supervision, and the salary or fee of the Manager.

Section 9.3 Calculation and Apportionment of Annual Assessments and Common Expenses. The Board of Directors shall prepare a budget before the closing of each fiscal year of the Association and submit the budget to the Association as required by the Act. Annual Assessments for Common Expenses shall be based upon the estimated net cash flow for the Association to cover items including, without limitation, the cost of routine maintenance, repair and operation of the Common Area, including the Irrigation Improvements located thereon; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Association; snow removal, landscaping, care of grounds and common lighting within the Common Area; routine reservations within the Common Area; wages; assessments made against the Water Stock; common water and utility charges for the Common Area; legal and accounting fees; management fees; taxes and capital improvements; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period; and the supplementing of the Association's funds for general, routine maintenance, repairs and replacement of Improvements within the Common Area on a periodic basis, as needed. During the Period of Declarant Control, the Annual Assessments shall not be increased more than 10% per calendar year over the initial Annual Assessment (the first Annual Assessment set following the recording of this Declaration) without the approval of Owners representing at least 67% of the votes in Association membership. By way of example only, if the Period of Declarant Control extends for two years following the year in which the initial Annual Assessment is set, the Annual Assessment for such second year cannot exceed 120% of the initial Annual Assessment without the required Owner approval.

Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Lots included in the Property under this Declaration from time to time. Accordingly, at any given time, an Owner's share of Common Expenses shall be determined as a fraction, the numerator of which is the number of Lots owned by the Owner, and the denominator of which is the number of Lots then platted and incorporated in the Property. Notwithstanding the preceding sentence, any Common Expenses or portion thereof benefitting fewer than all of the Lots shall be assessed exclusively against the Lots benefitted. Further, the costs of insurance may be assessed in proportion to risk, and the costs of utilities may be assessed in proportion to usage.

Section 9.4 Special Assessments. In addition to the Annual Assessments authorized by Sections 9.1 and 9.3 above, the Board of Directors may levy in any fiscal year one (1) or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, or, after adopting and submitting a revised budget to the Association as may be required by the Act, to make up any shortfall in the current year's budget.

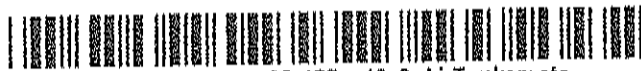
Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least thirty (30) days prior to the due date.

If any of the Special Assessments levied pursuant to this Section shall be used for the construction of new facilities (as opposed to repair and reconstruction of existing facilities) in Ventana and if the total amount of Special Assessments levied for such construction exceeds ten percent (10%) of the gross annual budget for the Association for that year, then the use of Special Assessments for such construction shall require the approval of the Owners representing at least sixty-seven percent (67%) of the votes in Association membership. The use of Special Assessments pursuant to this Section for constructing any Common Area shall not apply to the construction of any Common Area to be completed by Declarant as part of its development of Ventana.

Section 9.5 Uniform Rate of Assessment. Both Annual Assessments and Special Assessments shall be fixed at a uniform rate for all Lots within Ventana.

Section 9.6 Date of Commencement of Annual Assessments and Payment Period. The Annual Assessments shall commence as to all Lots no later than sixty (60) days after the date of the first conveyance by Declarant of a Lot to an Owner. The first Annual Assessment shall be prorated according to the number of months remaining in the calendar year.

Section 9.7 Collection. Assessments shall be collected on a periodic basis as the Board of Directors may determine from time to time, but until the Board directs otherwise, Assessments shall be payable in quarterly installments in advance on the first day of each such quarter. The omission or failure of the Association to fix Assessments for any Assessment period will not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The



2811212 12/05/2000 03:13P JA Suki Tsukamoto
34 of 56 R 280.00 D 0.00 Weld County CO

Association will have the right, but not the obligation, to make pro-rata refunds of any Assessments in excess of the actual expenses incurred in any fiscal year. Any such excess funds not refunded will be applied to the next installment(s) of Annual Assessments due.

Section 9.8 Service Assessments. The Association may, at any time and from time to time, upon the request of any Owner, undertake any activity, function or service for the benefit of such Owner on a self-supporting basis, provided that the costs of providing such special services shall be assessed exclusively against the Lots benefitted. Such activities, functions or services may include, without limitation, mowing, landscaping, trash removal and snow removal services for the benefit of individual Lots pursuant to an agreement in writing between the Association and the Owners of Lots for which such services are to be provided, with such agreement to include a statement of the costs, fees and expenses reasonably expected to initially be incurred by the Association in providing such service(s), including overhead expenses of the Association. The Association may, at its election, at any time from time to time, collect the aforesaid costs, fees, expenses and other charges from Owners to whom such services are provided, in advance or arrears, in monthly or other installments, or in addition to and on the same date for payment of, other Assessments. All such payments owing to the Association as a result of services provided at the request of Owners of Lots shall be deemed a "Service Assessment" and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in this Declaration and in accordance with the Act.

Section 9.9 Default Assessments. All monetary fines, penalties, interest, fees or charges (including, without limitation, charges for irrigation water usage in excess of the equal share allocated to each Lot) assessed against an Owner pursuant to the Ventana Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Ventana Documents and any expense (including, without limitation, attorneys' and legal assistants' fees) incurred by the Association as a result of the failure of an Owner to abide by the Ventana Documents, shall be a Default Assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in this Declaration and in accordance with the Act.

Section 9.10 Effect of Nonpayment of Assessment; Lien; Remedies of Association. Any Assessment installment, whether pertaining to Annual, Special, Service or Default Assessments, which is not paid within thirty (30) days after its due date shall be delinquent. In the event that an Assessment installment becomes delinquent or in the event any Default Assessment is established under this Declaration, the Association, in its sole discretion, may take any or all of the following actions:

9.10.1 Assess a late charge for each delinquency at uniform rates set by the Board of Directors from time to time;

9.10.2 Assess an interest charge from the date of delinquency at the Default Rate;

9.10.3 Suspend the voting rights of the Owner during any period of delinquency;



2811212 12/05/2000 03:13P JA Suki Tsukamoto
35 of 56 R 280.00 D 0.00 Weld County CO

9.10.4 Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

9.10.5 Bring an action at law against any Owner personally obligated to pay the delinquent installments;

9.10.6 File a statement of lien with respect to the Lot, and foreclose as set forth in more detail below.

The remedies provided under this Declaration shall not be exclusive, and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

Any Assessment chargeable to a Lot shall constitute a lien on the Lot, effective the due date of the Assessment. To evidence the lien, the Association may, but shall not be obligated to, prepare a written lien statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association, and the delinquent Assessment amounts then owing. Any such statement shall be duly signed and acknowledged by the President or a Vice President of the Association or by the Manager, and shall be served upon the Owner of the Lot by mail to the address of the Lot or at such other address as the Association may have in its records for the Owner. At least ten (10) days after the Association mails the statement to the Owner, the Association may record the statement in the office of the Clerk and Recorder of Weld County, Colorado. Thirty (30) days following the mailing of such notice to the Owner, the Association may proceed to foreclose the statement of lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. Such lien shall be in favor of the Association and shall be for the benefit of all other Owners. In either a personal action or foreclosure action, the Association shall be entitled to recover as a part of the action, the interest, costs, and reasonable attorneys' fees (including legal assistants' fees) with respect to the action. The Association shall have the power to bid on a Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

No Owner may waive or otherwise escape liability for the Assessments provided for in this Declaration by nonuse of the Common Area or by abandonment of his Lot.

Section 9.11 Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such Assessments, all successors to the fee simple title of a Lot, except as provided in Section 9.12 below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees and legal assistants' fees against such Lot without prejudice to any such successor's right to recover from any prior Owner any amounts paid by such successor. This liability of a successor shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Lot. In addition, such successor shall be



2811212 12/05/2000 03:13P JA Suki Tsukamoto
36 of 56 R 280.00 D 0.00 Weld County CO

entitled to rely on the statement of status of Assessments by or on behalf of the Association under Section 9.14 below.

Section 9.12 Waiver of Homestead Exemption; Subordination of the Lien. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by any federal law or the laws of the State of Colorado. The Association's perpetual lien on a Lot for Assessments shall be superior to all other liens and encumbrances except the following:

9.12.1 Liens and encumbrances recorded before the date of the recording of this Declaration;

9.12.2 Liens for real estate taxes and other governmental assessments or charges duly imposed against the Lot by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

9.12.3 The lien for all sums unpaid on a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent, including any and all advances made by the First Mortgagee and notwithstanding that any of such advances may have been made subsequent to the date of attachment of the Association's lien; all subject, however, to the limitations of the Act.

With respect to Subsection 9.12.3 above, any First Mortgagee who acquires title to a Lot by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, shall take the Lot free of any claims for unpaid Assessments, interest, late charges, costs, expenses, and attorneys' (and legal assistants') fees against the Lot which accrue prior to the time such First Mortgagee or purchaser acquires title to the Lot, except as provided in the Act. All other persons who hold a lien or encumbrance not described in Subsections 9.12.1 through 9.12.3 above shall be deemed to consent that any such lien or encumbrance shall be subordinate to the Association's future liens for Assessments, interest, late charges, costs, expenses and attorneys' (and legal assistants') fees, as provided in this Article 9, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

Sale or transfer of any Lot to enforce any of the liens to which the lien for Assessments is subordinate shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer to the extent provided in the Act. The amount of such extinguished lien may be reallocated and assessed to all Lots as a Common Expense at the direction of the Board of Directors. However, no such sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, or the Lot from the lien of, any Assessments made after the sale or transfer.

Section 9.13 Exempt Property. The following portions of the Property shall be exempt from the Assessments, charges, and liens created under this Declaration:



2811212 12/05/2000 03:13P JA Suki Tsukamoto
37 of 56 R 280.00 D 0.00 Weld County CO

9.13.1 All properties to the extent of any easement or other interest therein dedicated and accepted by the Town and devoted to public use;

9.13.2 All utility lines and easements; and

9.13.3 Common Area.

Section 9.14 Statement of Status of Assessments. The Association shall furnish to an Owner or his designee or to any Mortgagee a statement setting forth the amount of unpaid Assessments then levied against the Lot in which the Owner, designee or Mortgagee has an interest. The Association shall deliver the statement personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party within fourteen (14) calendar days after the registered agent of the Association receives the request by personal delivery or by certified mail, first class postage prepaid, return receipt requested or as otherwise required by the Act. The information contained in such statement, when signed by the Treasurer of the Association or the Manager, shall be conclusive upon the Association, the Board, and every Owner as to the person or persons to whom such statement is issued and who rely on it in good faith.

Section 9.15 Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice shall not be deemed a waiver, modification or release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association in accordance with any budget procedures as may be required under the Act.

ARTICLE 10 SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Section 10.1 General Provisions. Until the expiration of the Special Declarant Rights Period (or until the expiration of any other time period specified below), Declarant shall have the following Special Declarant Rights with respect to all of the Property:

10.1.1 Completion of Improvements. The right to complete Improvements as indicated on any Plat filed with respect to the Property;

10.1.2 Development Rights. The right to exercise all "development rights," as defined from time to time in the Act (and so referred to here as "Development Rights"), including without limitation, the right or combination of rights hereby reserved by Declarant, as follows:

- (i) The right to create Lots and Common Area on the Property, subject to the limitations of Section 1.3.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
38 of 56 R 280.00 D 0.00 Weld County CO

(ii) The right to subdivide Lots and convert Lots into Common Area on any part of the Property, subject to the limitations of Section 1.3.

10.1.3 Sales Activities. The right to maintain or authorize others to maintain a maximum of one construction trailer on each Lot on which construction of a dwelling residence has commenced, provided that the Design Review Committee has first approved the size and location of such trailer. Declarant shall also have the right within Ventana to maintain signs, flags and other on-site marketing and sales promotion materials advertising Ventana.

10.1.4 Easements. The right to use easements through the Common Area on the Property for the purpose of making Improvements on the Property.

10.1.5 Association Directors and Officers. During the Period of Declarant Control, the right to appoint any officer or Director of the Association, as provided in this Declaration or the Bylaws, and subject to the limitations of the Act.

Section 10.2 Supplemental Provisions Regarding Declarant's Rights. Without limiting the generality of the foregoing, certain of these Special Declarant Rights are explained more fully in this Article below. Further, Declarant reserves the right to amend this Declaration and any Plat in connection with the exercise of any Development Right or any other Special Declarant Right to the extent permitted by the Act, and Declarant also reserves the additional rights retained for the benefit of Declarant in this Article and in other provisions of this Declaration.

Section 10.3 Reservation of Easements, Exceptions, and Exclusions for Utilities, Infrastructure, and Access. Declarant reserves for itself and its successors and assigns and hereby grants to the Association, acting through the Board of Directors, the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including, but not limited to, streets, paths, pathways, trails, walkways, drainage facilities, irrigation facilities, and parking areas and to create other reservations, exceptions, and exclusions in the interest of the Owners and the Association, in order to serve all the Owners within Ventana.

Declarant also reserves for itself and its successors and assigns and grants to the Association the concurrent right to establish from time to time by an instrument recorded in Weld County, Colorado, such easements, permits or licenses over the Common Area for access by certain persons (other than Owners and Owners' families and guests) who may be permitted to use designated portions of the Common Area as contemplated under this Declaration.

Section 10.4 Irrigation Improvements Easement. Subject to all existing easements, reservations, restrictions, covenants and agreements, the Declarant does hereby establish, remise, release, sell, quit claim and dedicate unto the Association, its successors and assigns, for the use of the Owners of the Property, their family members, tenants, guests and invitees, a perpetual, non-exclusive easement for Irrigation Improvements over, across and upon that portion of each Lot

located outside the designated building envelope for the installation, maintenance, operation, replacement, repair and removal of underground irrigation pipes constituting part of the Irrigation Improvements. The building envelope for each Lot is designated and identified in the Design Review Guidelines.

Section 10.5 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access to an Owner's Lot by that Owner or his family, tenants, employees, guests, or invitees.

Section 10.6 Easements Deemed Created. All conveyances of Lots hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article 10, even though no specific reference to such easements or to this Article 10 appears in the instrument for such conveyance.

ARTICLE 11 PROPERTY RIGHTS OF OWNERS

Section 11.1 Owners' Easements of Access and Enjoyment. Every Owner has a perpetual, nonexclusive easement for access to and from his Lot and for the use and enjoyment of the Common Area, which easement is appurtenant to and shall pass with the title to every Lot, subject to the provisions set forth in this Article. Any use of the Common Area (except on land which has been dedicated for public use) by Owners and their families, tenants and guests, and such other persons permitted access to the Common Area shall be subject to any applicable Ventana Rules governing the Common Area.

Section 11.2 Delegation of Use. Any Owner may delegate, in accordance with the Ventana Documents (including specifically, but without limitation, the Ventana Rules), his rights of access and enjoyment described in Section 11.1 above to his tenants, employees, family, guests or invitees.

Section 11.3 Easements of Record and of Use. The Property shall be subject to (i) all easements shown on any recorded Plat affecting the Property; (ii) any other easements of record or of use as of the date of recordation of this Declaration; and (iii) all dedications and accesses granted to and for the benefit of the public prior to or concurrently with the recordation of the Plat.

Section 11.4 Partition or Combination of Lots. No part of a Lot may be partitioned or separated from any other part thereof, and no Lots may be combined, except as provided in this Section and subject to the limitations of Section 1.3 and the requirements of the Act. A Lot may be subdivided into two (2) or more Lots, or two (2) or more Lots may be combined into one (1), only with the written consent of Declarant (during the Special Declarant Rights Period) and the Board of Directors and full compliance with all applicable state, county and municipal zoning and subdivision

regulations and the Act. Declarant's consent shall be conditioned upon payment by the Owner or Owners concerned of all expenses incident to giving the consent, including legal and accounting fees. Every agreement and recorded instrument for partition or combination of Lots shall make adequate provision for the preservation of easements previously reserved with respect to the Lots, and the adjustment of voting rights and liability for payment of Assessments appurtenant to or imposed on such Lots.

Whether partitioned, combined, or unchanged, each Lot shall be conveyed, transferred, gifted, devised, bequeathed, encumbered, or otherwise disposed of, as the case may be, with all appurtenant rights and interests created by law or by this Declaration, including the Owner's membership in the Association and the right to use the Common Area, and with the appropriate allocation of voting rights, as provided in Section 4.6 above, and liability for Assessments as established for such classification of Lots by the Board of Directors.

Section 11.5 No Partition of Common Area. The Common Area shall be owned by the Association, and no Owner shall bring any action for partition or division of the Common Area. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived such Owner's rights to institute or maintain a partition action or any other action designed to cause a division of the Common Area, and this Section may be pleaded as a bar to any such action. Any Owner who shall institute or maintain any such action shall be liable to the Association, and hereby agrees to reimburse the Association for its costs, expenses, and reasonable attorneys' (and legal assistants') fees in defending any such action.

ARTICLE 12 INSURANCE AND FIDELITY BONDS

Section 12.1 Authority to Purchase. All insurance policies relating to the Common Area shall be purchased by the Board of Directors or its duly authorized agent. The Board of Directors, the Manager, and Declarant shall not be liable for failure to obtain any coverage required by this Article 12 or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable costs. Notwithstanding the foregoing, if the insurance described in Sections 12.3 and 12.4 below is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or otherwise delivered to all Owners by such methods as required by the Act.

Section 12.2 General Insurance Provisions. All such insurance coverage obtained by the Board of Directors shall conform to any minimum requirements of the Act, and, to the extent not inconsistent with the Act, the following provisions:

12.2.1 As long as Declarant owns any Lot, Declarant shall be protected by all such policies in the same manner as any other Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article 12 shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such

coverage be deemed to protect Declarant for (or waive any rights with respect to) warranty claims against Declarant as the developer of Ventana.

12.2.2 The deductible, if any, on any insurance policy purchased by the Board of Directors may be treated as a Common Expense payable from Annual Assessments or Special Assessments allocable to all of the Lots or to only some of the Lots, if the claims or damages arise from the negligence of particular Owners (if the repairs benefit only particular Owners), or as an item to be paid from working capital reserves established by the Board of Directors. Except as otherwise set forth in this Article, the maximum deductible amount shall be the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount.

Section 12.3 Physical Damage Insurance on Common Area. The Association shall obtain insurance for all insurable Improvements, including the Irrigation Improvements, on the Common Area in an amount equal to the full replacement value (i.e., one hundred percent [100%] of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property, and other items normally excluded from coverage), which shall include all building service equipment and the like, common personal property and supplies, and any fixtures or equipment within the Common Area. In addition, such policy shall afford protection against at least the following:

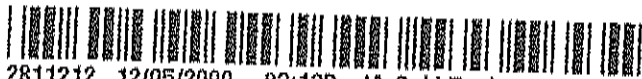
12.3.1 Loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement covering debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage.

12.3.2 Such other risks as shall customarily be covered with respect to projects similar in construction, location, and use to Ventana.

In contracting for the insurance coverage obtained pursuant to this Section above, the Board of Directors shall be required to make reasonable efforts to secure coverage which provides the following:

- A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Declaration not to do so.
- The following endorsements (or equivalent): (a) "cost of demolition;" (b) "contingent liability from operation of building laws or codes;" (c) "increased cost of construction;" (d) "agreed amount" or elimination of co-insurance clause; and (e) "inflation guard" (if available).

Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Board of Directors may deem advisable, the Board of Directors shall obtain an appraisal from a general contractor or such other source as the Board may determine of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and



other items normally excluded from such coverage) subject to insurance carried by the Association, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Article.

Section 12.4 Liability Insurance. The Association shall obtain a comprehensive policy of commercial general liability insurance (including bodily injury, libel, slander, false arrest, and invasion of privacy coverage) and property damage insurance with such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Association, the Manager, each Owner and the respective employees, agents and all persons acting as agents of the Association against any liability to the public or the Owners (and their guests, invitees, tenants, agents, and employees) arising in connection with the ownership, operation, maintenance, or use of the Common Area and streets and roads within Ventana and any other areas under the control of the Association. Declarant and its officers, directors, agents and authorized representatives shall be included as additional insureds in their capacity as an Owner, officer, director, agent or authorized representative. The Owners shall be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area.

Such comprehensive policy of public liability insurance shall include the following:

12.4.1 Coverage for contractual liability, liability for non-owned and hired automobiles, and, if applicable, host liquor liability, employer's liability, and such other risks as shall customarily be covered with respect to developments similar to Ventana in construction, location, and use.

12.4.2 A cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another insured.

12.4.3 A "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of the negligent acts of the Association or another Owner.

The Board of Directors shall review the coverage limits at least once every two (2) years, but, generally, the Board shall carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to Ventana, and in no event shall such coverage be less than One Million Dollars (\$1,000,000.00) for all claims for bodily injury or property damage arising out of one (1) occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained by the Association in its discretion.

Section 12.5 Fidelity Insurance. Fidelity bonds shall be maintained by the Association to protect against dishonest acts on the part of its officers, Directors, trustees, and employees, and on the part of all others who handle or are responsible for handling the funds of or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds shall be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity

coverage shall name the Association as an obligee and shall be written in such an amount as the Board may determine appropriate, and in any event in the minimum amount, if any, prescribed by the Act. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. Such bonds shall cover the maximum funds that will be in the custody of the Association or any management agent at any time while the bond is in force.

Section 12.6 Flood Insurance. If any part of the Improvements, if any, on the Common Area are located in a Special Flood Hazard Area, which is designated A, AE, AH, AO, A1-30, A-99, V, VE or V1-30 on a Flood Insurance Rate Map, the Association shall obtain a policy of flood insurance in an amount equal to one hundred percent (100%) of the insurable value of the Improvements or the maximum coverage available under the appropriate National Flood Insurance Administration program. The maximum deductible amount shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount.

Section 12.7 Provisions Common to Physical Damage Insurance, Liability Insurance, Fidelity Insurance and Flood Insurance. Any insurance coverage obtained by the Association under the provisions of this Article above shall be subject to the following provisions and limitations:

12.7.1 The named insured under any such policies shall include Declarant, until all of the Lots in Ventana have been conveyed, and the Association, as attorney-in-fact for the use and benefit of the Owners, or the authorized representative of the Association (including any trustee with whom the Association may enter into an insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under such policies.

12.7.2 Each Owner shall be an insured person with respect to liability arising out of the Owner's interest in the Common Area or membership in the Association.

12.7.3 In no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgages.

12.7.4 The policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees, and guests) when such act or neglect is not within the control of the Association, or (ii) any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control; or (iii) conduct of any kind on the part of an Owner (including the Owner's family, tenants, servants, agents and guests) or any Director, officer, employer, or Manager of the Association, without prior demand to the Association and a reasonable opportunity to cure the matter.

12.7.5 The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and



2811212 12/05/2000 03:13P JA Suki Tsukamoto
44 of 56 R 280.00 D 0.00 Weld County CO

provide that coverage may not be canceled in the middle or at the end of any policy year or other period of coverage or substantially modified or reduced (including cancellation for nonpayment of premiums) without at least thirty (30) days' prior written notice mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

12.7.6 The policies shall contain a waiver by the insurer of any right to claim by way of subrogation against Declarant, the Board of Directors, the Association, the Manager, and any Owner and their respective agents, employees, or tenants, and in the case of Owners, members of their households, and of any defenses based upon co-insurance.

12.7.7 The policies described in Sections 12.3 and 12.4 above shall provide that any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Board shall be deemed primary coverage, and any individual owners' policies shall be deemed excess coverage.

Section 12.8 Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate officers' and directors' personal liability insurance may be obtained by the Association to protect the officers and Directors from personal liability in relation to their duties and responsibilities in acting as such officers and Directors on behalf of the Association.

Section 12.9 Workmen's Compensation Insurance. The Association shall obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 12.10 Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it deems appropriate with respect to the Association's responsibilities and duties.

Section 12.11 Insurance Obtained by Owners. Each Owner shall have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the Owner's own property and personal liability (except to the extent any Owner's Lot is encumbered by an easement conveyed to the Association as Common Area). In addition, each Owner may obtain such other and additional insurance coverage on and in relation to his Lot as such Owner concludes to be desirable; provided, however, that no insurance coverage obtained by an Owner shall operate to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that coverage. Any such insurance obtained by an Owner shall include a waiver of the particular insurance company's right of subrogation against the Association and other Owners.

ARTICLE 13 ASSOCIATION AS ATTORNEY-IN-FACT

Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Common Area upon damage or destruction as provided in this Article or a complete or partial taking as provided in Article 15 below. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointment of the Association as attorney-in-fact as provided in this Article. As attorney-in-fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE 14 DAMAGE OR DESTRUCTION

Section 14.1 Estimate of Damage or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Area, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Common Area so damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

Section 14.2 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 14.3 Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Section 9.4 above, levy, assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners, except as provided in Section 9.4, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

Section 14.4 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for in Section 9.4 above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special



2811212 12/05/2000 03:13P JA Suki Tsukamoto
46 of 56 R 280.00 D 0.00 Weld County CO

Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment to the Association under Section 9.4 above, or, if no Special Assessments were made, then on the basis of the allocation to the Owners of Common Expenses under Section 9.3 above, first to the Mortgagees and then to the Owners, as their interests appear.

Section 14.5 Decision Not to Rebuild. If Owners representing at least eighty percent (80%) of the votes in the Association, including the vote of every Owner of Improvements that will not be restored and including, during the Special Declarant Rights Period, the vote of Declarant, and any other votes required by the Act, agree in writing not to repair and reconstruct and no alternative Improvements are authorized, then and in that event the Property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

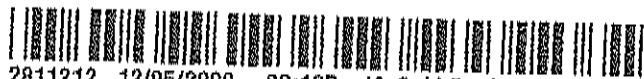
Section 14.6 Damage or Destruction Affecting Lots. In the event of damage or destruction to the Improvements located on any of the Lots, the Owner thereof shall promptly repair and restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within one hundred eighty (180) days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than ninety (90) days, then the Association may, after notice and hearing as provided in the Bylaws, impose a fine accruing at the rate of One Thousand Dollars (\$1,000.00) per day or such other rate imposed by the Board in compliance with the Act, charged against the Owner of the Lot until repair and reconstruction is commenced, unless the Owner can prove to the satisfaction of the Association that such failure is due to circumstances beyond the Owner's control. Such fine shall be a Default Assessment and lien against the Lot as provided in Section 9.9 above.

ARTICLE 15 CONDEMNATION

Section 15.1 Rights of Owners. Whenever all or any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking, but the Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 15.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which Improvements have been constructed, then, unless, within sixty (60) days after such taking, Owners representing at least sixty-seven percent (67%) of the votes in the Association, including, during the Special Declarant Rights Period, the vote of Declarant, shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land included in the Common Area to the extent lands are



2811212 12/05/2000 03:13P JA Suki Tsukamoto
47 of 56 R 280.00 D 0.00 Weld County CO

available therefor, in accordance with plans approved by the Board of Directors, the DRC, the Town, if required, and any other authority having jurisdiction in such matters. If such Improvements are to be repaired or restored, the provisions in Article 14 above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed on the basis of the Common Expenses allocated to the Owners under Section 9.3 above, first to the Mortgagees and then to the Owners, as their interests appear.

Section 15.3 Complete Condemnation. If all of Ventana is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Area shall be distributed as provided in Section 15.2 above.

ARTICLE 16 MORTGAGEE PROTECTION

Section 16.1 Introduction. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers, and guarantors of certain Mortgages. This Article is supplemental to, and not in substitution for, any other provisions of the Declaration, but in the case of conflict, this Article shall control.

Section 16.2 Notice. Each First Mortgagee, upon written request to the Association, shall be entitled to:

16.2.1 Budgets, Assessments, Etc. Receive copies of budgets, notices of Assessments or any other notice or statement provided under this Declaration by the Association to the Owner of the Lot covered by such Mortgage.

16.2.2 Financial Statements. Receive any audited or unaudited financial statement of the Association which is prepared for distribution to the Owners within ninety (90) days following the end of any fiscal year.

16.2.3 Meetings. Receive copies of notices of meetings of the Lot Owners.

16.2.4 Amendment to Bylaws or Articles. Receive at least thirty (30) days prior notice of the decision of the Declarant, the Lot Owners or the Board of Directors to make any material amendment to this Declaration, the Bylaws or the Articles of Incorporation of the Association.

16.2.5 Damage. Receive notice of substantial damage to or destruction of any part of the Common Area.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
48 of 56 R 280.00 D 0.00 Weld County CO

16.2.6 Default. Receive notice of any default under this Declaration by the Owner of a Lot in which the First Mortgagee holds a First Mortgage.

16.2.7 Right to Examine Books and Records. Examine the books and records of the Association at any reasonable time.

16.2.8 Any Other Notice. Receive any other notice or copy provided for elsewhere in this Declaration.

Section 16.3 Form of Request. The request of a First Mortgagee shall specify which of the items described in Section 16.2 it desires to receive and shall indicate the address to which any such notice or document shall be sent by the Association. Failure of the Association to provide any of the foregoing to a First Mortgagee who has made a proper request shall not affect the validity of any action which is related to any of the foregoing. The Association need not inquire into the validity of any request made by a First Mortgagee, and in the event of multiple requests from purported holders of the same interest, the Association shall honor the most recent request received.

Section 16.4 Rights of First Mortgagees. Notwithstanding any other provisions of this Declaration, unless at least sixty-seven percent (67%) of the First Mortgagees (based upon one vote for each mortgage owned) have given their prior written approval, the Association shall not be entitled to:

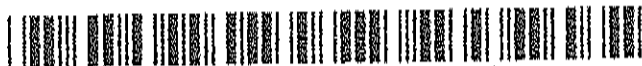
16.4.1 Abandon, Partition, Subdivide, Convey or Encumber. Abandon, partition, subdivide, convey or encumber the Common Area or any portion thereof. (The granting of easements for public utilities or for other purposes consistent with the intended use of the Common Area will not be deemed a conveyance within the meaning of this clause.)

16.4.2 Hazard Insurance Proceeds. Use hazard insurance proceeds on account of any casualty loss other than to repair, replace or reconstruct the damaged property.

Section 16.5 Failure to Respond. The failure of any First Mortgagee to respond within thirty (30) days to any written request of the Association delivered by certified mail, return receipt requested, for approval of any matter set forth in Section 16.4 above shall constitute approval of such matter.

ARTICLE 17 ENFORCEMENT OF COVENANTS

Section 17.1 Violations Deemed a Nuisance. Every violation of this Declaration or any other of the Ventana Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement or correction of the violation. In addition, all public and private remedies allowed at law or in equity against anyone in violation of these Covenants shall be available.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
49 of 56 R 280.00 D 0.00 Weld County CO

Section 17.2 Compliance. Each Owner or other occupant of any part of the Property shall comply with the provisions of the Ventana Documents as the same may be amended from time to time.

Section 17.3 Failure to Comply. Failure to comply with the Ventana Documents shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the Bylaws shall be given to the delinquent party prior to commencing any legal proceedings.

Section 17.4 Who May Enforce. Any action to enforce the Ventana Documents may be brought by Declarant, the Board, the Design Review Committee, or the Manager in the name of the Association on behalf of the Owners. If, after a written request from an aggrieved Owner, none of the foregoing persons or entities commences an action to enforce the Ventana Documents, then the aggrieved Owner may bring such an action.

Section 17.5 Remedies. In addition to the remedies set forth above in this Article, any violation of the Ventana Documents shall give to the Board, the Manager, the Design Review Committee or Declarant, on behalf of the Owners, the right to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify, or replace, at the expense of the offending Owner, any structure, thing or condition that may exist thereon contrary to the interest of the Owners and the meaning of the Ventana Documents. Any costs incurred in connection with such foregoing enforcement action which remain unpaid thirty (30) days after the Association has given notice of the cost to the Owner and otherwise complied with the Act shall be subject to interest at the Default Rate from the date of such notice through the date of payment in full by the Owner, and shall be treated as a Default Assessment enforceable as provided in Article 9. If the offense occurs on any easement, walkway, Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 17.6 Nonexclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

Section 17.7 No Waiver. The failure of the Board of Directors, Declarant, the Design Review Committee, the Manager, or any aggrieved Owner to enforce the Ventana Documents shall not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Ventana Documents at any future time.

Section 17.8 No Liability. No member of the Board of Directors, Declarant, the Design Review Committee, the Manager or any Owner shall be liable to any other Owner for the failure to enforce any of the Ventana Documents at any time.

Section 17.9 Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Ventana Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Ventana Documents or the restraint of violations of the Ventana Documents, the prevailing party shall be entitled to recover all costs incurred by it in such



2811212 12/05/2000 03:13P JA Suki Tsukamoto
50 of 56 R 280.00 D 0.00 Weld County CO

action, including reasonable attorneys' fees (and legal assistants' fees) as may be incurred, or if suit is brought, as may be determined by the court.

ARTICLE 18 RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the Association or relating to the interpretation, performance or nonperformance, violation, or enforcement of the Ventana Documents, such dispute or violation may be subject to a hearing and determination by the Board in accordance with the procedures set forth in the Bylaws.

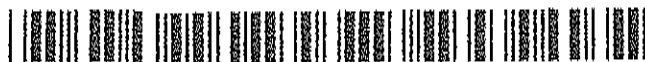
ARTICLE 19 DURATION OF THESE COVENANTS AND AMENDMENT

Section 19.1 Term. This Declaration and any amendments or supplements hereto shall remain in effect from the date of recordation until the twenty-first (21st) anniversary of the date this Declaration is first recorded in the office of the Clerk and Recorder of Weld County, Colorado. Thereafter, these Covenants shall be automatically extended for successive periods of ten (10) years each, unless otherwise terminated or modified as provided below.

Section 19.2 Amendment. Except as otherwise provided in this Article 19, this Declaration, or any provision of it, may be terminated, extended, modified, or amended, or revoked as to the whole or any portion of the Property, upon the written consent of Owners holding sixty-seven percent (67%) or more of the votes in the Association, allocated pursuant to Section 4.6 above, and upon compliance with Article 16 above, as appropriate. Amendments made pursuant to this Section shall inure to the benefit of and be binding upon all Owners of any part of the Property, their family, tenants, guests, invitees, and employees, and their respective heirs, successors, and assigns.

Section 19.3 Requirement for Declarant's Approval Generally. Notwithstanding the provisions of Section 19.2, (i) no termination, extension, modification, amendment or restatement of this Declaration may be made during the Period of Declarant Control without Declarant's written consent; and (ii) no termination, extension, modification, amendment or restatement of this Declaration may be made during the Special Declarant Rights Period affecting (a) the right of Declarant to appoint the Design Review Committee, (b) any Special Declarant Right or other right expressly reserved to Declarant under this Declaration or (c) the protection of Declarant's rights under this Article 19, without Declarant's written consent.

Section 19.4 Effective on Recording. Any modification, amendment or revocation shall be immediately effective upon recording in Weld County, Colorado, a copy of such amendment, modification, or revocation executed and acknowledged by the necessary number of Owners (and by Declarant, as required).



2811212 12/05/2000 03:13P JA Suki Tsukamoto
51 of 56 R 280.00 D 0.00 Weld County CO

ARTICLE 20

MISCELLANEOUS PROVISIONS

Section 20.1 Severability. This Declaration, to the extent possible, shall be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 20.2 Construction. In interpreting words in this Declaration, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 20.3 Headings. The headings are included only for purposes of convenient reference, and they shall not affect the meaning or interpretation of this Declaration.

Section 20.4 Waiver. No failure on the part of the Association or the Board to give notice of default or to exercise or to delay in exercising any right or remedy shall operate as a waiver, except as specifically provided above in the event the Board fails to respond to certain requests. No waiver shall be effective unless it is in writing and signed by the President or Vice President of the Board on behalf of the Association.

Section 20.5 Limitation of Liability. Neither the Association nor any officer or member of the Board shall be liable to any party for any action or for any failure to act with respect to any matter arising by, through or under the Ventana Documents if the action or failure to act was made in good faith. The Association shall indemnify all of the officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Articles of Incorporation and Bylaws.

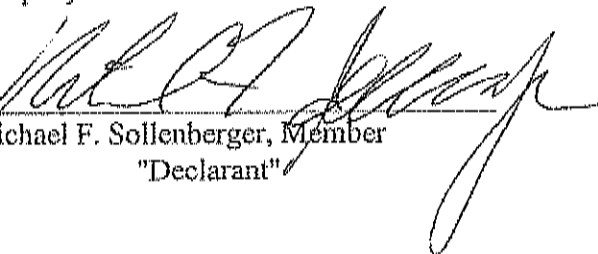
Section 20.6 Conflicts Between Documents. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 20.7 Assignment. Subject to the requirements and limitations of the Act, Declarant may assign all or any part of the Special Declarant Rights or any of Declarant's other rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor shall be identified, the particular rights being assigned shall be specified, and, to the extent required, concomitant obligations shall be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Weld County, Colorado.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
52 of 56 R 280.00 D 0.00 Weld County CO

VENTANA DEVELOPMENT, LLC,
a Colorado Limited Liability
Company

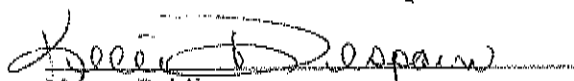
By 
Michael F. Sollenberger, Member
"Declarant"

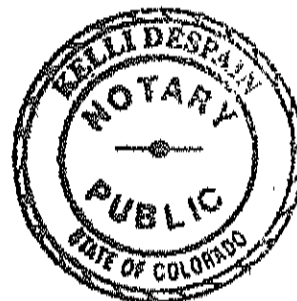
STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 4 day of December, 2000, by Michael F. Sollenberger, as Member of VENTANA DEVELOPMENT, LLC, a Colorado Limited Liability Company.

WITNESS my hand and official seal.

My commission expires: MY COMMISSION EXPIRES 03/11/2003


Notary Public





2811212 12/05/2000 03:13P JA Suki Tsukamoto
53 of 55 R 280.00 D 0.00 Weld County CO

APPROVAL, RATIFICATION AND CONFIRMATION

The undersigned, having a security interest in the real property described on Exhibit "A" attached hereto and incorporated herein by reference, hereby approves, ratifies, confirms and consents to the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Ventana.

Dated this 4th day of December, 2000.

First State Bank of Fort Collins

By:

M. J. McLean, V.P.
Name/Title

STATE OF COLORADO)

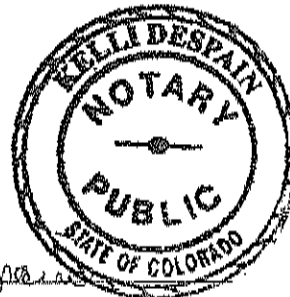
COUNTY OF Lasimer)

ss.

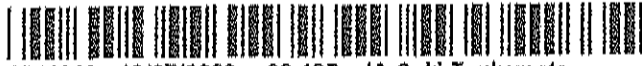
The foregoing instrument was acknowledged before me this 4 day of December, 2000, by Michael J. McLean as Vice President of First State Bank of Fort Collins.

WITNESS my hand and official seal.

My commission expires: MY COMMISSION EXPIRES 03/11/2003



Kelli Despain
Notary Public



2811212 12/05/2000 03:13P JA Suki Tsukamoto
54 of 56 R 280.00 D 0.00 Weld County CO

EXHIBIT "A" ATTACHED TO AND MADE A PART OF DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR VENTANA

Legal Description of Property

All of VENTANA SUBDIVISION , according to the Plat thereof recorded
September 1, 2000, at Reception No. 2791201 of the Weld County, Colorado
records, Town of Windsor, County of Weld, State of Colorado.

EXCEPTING THEREFROM:

Lot 48, VENTANA SUBDIVISION , Town of Windsor, County of Weld, State of Colorado.

The 20 foot wide public trail area dedicated to the Town of Windsor within Tract B,
VENTANA SUBDIVISION , Town of Windsor, County of Weld, State of Colorado.

The 20 foot wide public trail area dedicated to the Town of Windsor within Tract C,
VENTANA SUBDIVISION , Town of Windsor, County of Weld, State of Colorado.

EXHIBIT "B" ATTACHED TO AND MADE A PART OF DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR VENTANA

Easements and Licenses

1. Right of way for ditches and ingress and egress, whether in fee or easement only, as conveyed to the Windsor Reservoir and Canal Company by instrument recorded January 13, 1902 in Book 163 at Page 83 of the Weld County, Colorado records, in which the specific location is not defined.
2. Right of ways for ditches, whether in fee or easement only, as conveyed to The Windsor Reservoir and Canal Company by instruments recorded January 16, 1906 in Book 235 at Page 283 and June 20, 1906 in Book 241 at Page 439 of the Weld County, Colorado records, the specific location of which is more particularly defined in said instrument.
3. Undivided .077 interest in and to all of the oil, gas and other minerals, as conveyed to Olga Wilmetta Lorenz by deed recorded December 3, 1953 in Book 1376 at Page 190 of the Weld County, Colorado records, and any interests therein or rights thereunder.
4. Undivided .077 interest in and to all of the oil, gas and other minerals, as conveyed to Virginia Mae Stenzel Casten by deed recorded December 3, 1953 in Book 1376 at Page 192 of the Weld County, Colorado records, and any interests therein or rights thereunder.
5. Undivided .077 interest in and to all of the oil, gas and other minerals, as conveyed to Henrietta Stenzel Stahl by deed recorded December 3, 1953 in Book 1376 at Page 194 of the Weld County, Colorado records, and any interests therein or rights thereunder.
6. Undivided .077 interest in and to all of the oil, gas and other minerals, as conveyed to Raymond O. Stenzel by deed recorded December 3, 1953 in Book 1376 at Page 196 of the Weld County, Colorado records, and any interests therein or rights thereunder.
7. Undivided .192 of all oil, gas, hydrocarbons and other minerals as reserved by John Stenzel in the deed recorded May 19, 1956 in Book 1451 at Page 167 of the Weld County, Colorado records, and any interests therein or rights thereunder.
8. All oil, gas and other minerals as reserved by Dave Hergert and Ida Hergert in the deed recorded March 19, 1980 in Book 898 as Reception No. 1819968 of the Weld County, Colorado records, and any interests therein or rights thereunder.
9. Right of way, whether in fee or easement only, for utilities, granted to The Town of Windsor by Betty J. Bechtholdt by instrument recorded September 8, 1995 in Book 1510 as Reception No. 2454782 of the Weld County, Colorado records, in which the specific location of the easement is more particularly described in said instrument.
10. Right of way, whether in fee or easement only, for Lake Canal Ditch.



2811212 12/05/2000 03:13P JA Suki Tsukamoto
56 of 56 R 280.00 D 0.00 Weld County CO

11. Right of way for County Roads 30 feet on either side of Section and Township lines, as established by the Board of County Commissioners for Weld County, recorded October 14, 1889 in Book 86 at Page 273.
12. Right of ways, easement, and encroachments as set forth in Bechtholdt Annexation Map recorded December 22, 1998 at Reception No. 2662409.
13. All easements and licences appearing on the Plat, as the same be amended.
14. All easements and licences referenced in or created by the Declaration.