

Recorder, Douglas County, State of Colorado, subject to . . . Declaration of Covenants, Conditions, and Restrictions for Sapphire Pointe recorded August 2003....

Reference to the Declaration, the Plat, and map in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration, the Plat, or map without specific references thereto.

ARTICLE IX
DESIGN REVIEW

Section 9.1 Design Review Committee. The approval of the Design Review Committee shall be required for compliance with the development plan adopted by the Master Association with each Subassociation and for approval of Improvements on common areas within any Subassociation, except (a) for any such Improvements made or approved by Declarant, or (b) for any such Improvements approved by a design review committee established for a specific parcel of the Property or Subassociation, or (c) for any such Improvements which may be exempted in writing or under the Design Guidelines, because approval in such case is not reasonably required to carry out the purposes of this Master Declaration.

Section 9.2 Additional Design Review Committees. Notwithstanding any other provision herein, Declarant reserves the right to establish, by restrictive covenants or otherwise, one or more additional design review committees for specific parcels within the Master Community. Furthermore, each Subassociation shall have the right, but not the obligation, to establish its own design review committee. Each such additional design review committee shall be established by Declarant either by recording a separate declaration of architectural covenants applicable to specific real estate within the Master Community or, if applicable, by execution and recording of a partial assignment of Declarant Rights to a Subassociation. Any such additional design review committee so created shall have the same rights, power, authority, and obligations with respect to its applicable real estate as the Design Review Committee has with respect to the balance of the Master Community.

Section 9.3 "Improvement to Property" Defined. "Improvement to Property" requiring approval of the Design Review Committee means and includes, without limitation: (a) the construction, installation, erection or expansion of any building, structure or other Improvement, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure or other Improvement; (c) the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; (d) landscaping, planting, clearing or removing of trees, shrubs, grass or plants; and (e) any change or alteration of any previously approved Improvement to Property including any change of exterior appearance, color or texture.

Section 9.4 Membership of Committee. The Design Review Committee shall initially consist of three members, all of whom shall be appointed by Declarant. Declarant shall have the continuing right to appoint three members during the Declarant's Rights Period. The Master Association shall have the right to appoint all of such members after the expiration of the Declarant's Rights Period. Members of the Design Review Committee may, but shall not

necessarily be Owners. Members of the Design Review Committee appointed by Declarant may be removed at any time by Declarant and shall serve until resignation or removal by Declarant. During the Declarant's Rights Period, Declarant shall give written notice to the Master Association of the appointment or removal of any member of the Design Review Committee. After the Declarant's Rights Period, the Master Association may at any time, and from time to time, change the authorized number of members of the Design Review Committee, but the number of members shall always be an odd number and shall not be less than three. After the Declarant's Rights Period, members of the Design Review Committee shall be appointed and removed in the manner set forth in the Bylaws.

Section 9.5 Address of Committee. The address of the Design Review Committee shall be at the principal office of the Master Association.

Section 9.6 Required Approval by Subassociation Design Review Committees, In addition to approval of Improvements to Property by the Design Review Committee, approval of Improvements to Property may also be required by the design review committee (or its equivalent) of any Subassociation.

Section 9.7 Submission of Plans. Prior to commencement of work to accomplish any proposed Improvement to Property, the Person proposing to make such Improvement to Property (the "Applicant") shall submit to the Design Review Committee at its offices such descriptions, surveys, Lot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the Design Review Committee shall reasonably request showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property. The Applicant shall be entitled to receive a receipt for the same from the Design Review Committee or its authorized agent. The Design Review Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement to Property. Until receipt by the Design Review Committee of all required materials in connection with the proposed Improvement to Property, the Design Review Committee may postpone review of any materials submitted for approval.

Section 9.8 Criteria for Approval. The Design Review Committee shall approve any proposed Improvement to Property only if it deems in its reasonable discretion that (a) the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Property as a whole; (b) the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Property; (c) the Improvement to Property will not detract from the beauty, wholesomeness, and attractiveness of the Property as a planned residential community or the enjoyment thereof by Owners; (d) the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Master Association; and (e) the Improvement is in keeping with the Design Guidelines. The Design Review Committee may condition its approval of any proposed Improvement to Property upon the making of such changes therein as the Design Review Committee may deem appropriate.

Section 9.9 Design Guidelines. The Design Review Committee shall issue the Design Guidelines and may modify such Design Guidelines from time to time. A copy of the current Design Guidelines will be made available to all Owners upon request. The Design Guidelines

may specify circumstances under which the strict application of limitations or restrictions under this Master Declaration will be waived or deemed waived in whole or in part because strict application of such limitations or restrictions would be unreasonable or unduly harsh under the circumstances, The Design Guidelines may waive the requirement for approval of certain Improvements to Property or exempt certain Improvements to Property from the requirement for approval, if such approval is not reasonably required to carry out the purposes of this Master Declaration.

Section 9.10 Architectural Review Fee. In the Design Guidelines, the Design Review Committee may provide for the payment of a fee to accompany each request for approval of any proposed Improvement to Property. The Design Review Committee may provide that the amount of such fee shall be uniform for similar types of any proposed Improvement to Property or that the fee shall be determined in any other reasonable manner, such as based upon the estimated cost of the proposed Improvement to Property. The design review fee may also include engineering, architectural, and any other consultant fees reasonably incurred by the Design Review Committee in reviewing any proposed Improvement to Property.

Section 9.11 Decision of Committee. The decision of the Design Review Committee shall be made within 30 days after receipt by the Design Review Committee of all materials required by the Design Review Committee, unless such time period is extended by mutual agreement. The decision shall be in writing and if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the Design Review Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Design Review Committee.

Section 9.12 Appeal. If the Design Review Committee, denies, imposes conditions on, or refuses approval of a proposed Improvement to Property, the Applicant may appeal by giving written notice of such appeal to the Design Review Committee within 20 days after such denial or refusal. The Design Review Committee or a tribunal appointed by the Design Review Committee pursuant to rules or regulations, if any, promulgated by the Design Review Committee shall hear the appeal in accordance with the provisions of such rules and regulations or this Article IX, and the Design Review Committee or such tribunal shall decide whether or not the proposed Improvement to Property or the conditions imposed by the Design Review Committee shall be approved, disapproved or modified.

Section 9.13 Failure of Committee to Act on Plans. Any request for approval of a proposed Improvement to Property shall be deemed approved, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within 30 days after the date of receipt by the Design Review Committee of all required materials.

Section 9.14 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement to Property, any materials submitted to the Design Review Committee in connection with the proposed Improvement to Property and any conditions imposed by the Design Review Committee; provided that within 90 days after the completion of the proposed

Improvements to Property, or within such longer period as may be approved in writing by the Design Review Committee, the Applicant shall complete the installation of any landscaping and gardening approved in conjunction with the approval of the proposed Improvements to Property. Failure to complete the proposed Improvement to Property within one year after the date of approval, or within such longer period as may be approved in writing by the Design Review Committee, or to complete the Improvement to Property in accordance with the description and materials furnished to, and the conditions imposed by, the Design Review Committee, shall constitute noncompliance with the requirements for approval of Improvements to Property.

Section 9.15 Notice of Completion. Upon completion of the Improvement to Property, the Applicant shall give written "Notice of Completion" to the Design Review Committee. Until the date of receipt of such a Notice of Completion, the Design Review Committee shall not be deemed to have notice of completion of such Improvement to Property.

Section 9.16 Inspection of Work. The Design Review Committee or its duty authorized representative shall have the right to inspect any Improvement to Property prior to or after completion, provided that the right of inspection shall terminate 60 days after the Design Review Committee receives a Notice of Completion from the Applicant.

Section 9.17 Notice of Noncompliance. If, as a result of an inspection or otherwise, the Design Review Committee finds that any Improvement to Property (a) has been done without obtaining the approval of the Design Review Committee, (b) was not done in substantial compliance with the description and materials furnished to, and any conditions imposed by, the Design Review Committee, or (c) was not completed within one year after the date of approval by the Design Review Committee, or within such longer period as may have been approved in writing by the Design Review Committee, the Design Review Committee shall notify the Applicant in writing of the noncompliance; which notice, shall be given, in any event, within 60 days after the Design Review Committee receives a Notice of Completion from the Applicant. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

Section 9.18 Failure of Committee to Act After Completion. If, for any reason other than the Applicant's act or neglect, the Design Review Committee fails to notify the Applicant of any noncompliance within 60 days after receipt by the Design Review Committee of a Notice of Completion from the Applicant, the Improvement to Property shall be deemed in compliance if the Improvement to Property was, in fact, completed as of the date of Notice of Completion.

Section 9.19 Appeal to Master Association Executive Board of Finding of Noncompliance. If, after a notice, of noncompliance has issued, the Applicant fails to commence diligently to remedy such noncompliance, the Design Review Committee shall request a finding of noncompliance by the Executive Board by giving written notice of such request to the Master Association and the Applicant within 30 days after delivery to the Applicant of a notice of noncompliance from the Design Review Committee. The Executive Board or a tribunal appointed by the Executive Board pursuant to the Bylaws shall hear the matter in accordance with the provisions of the Bylaws for Notice and Hearing, and the Executive Board shall decide whether or not there has been such noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same.

Section 9.20 Correction of Noncompliance. If the Executive Board determines that a noncompliance exists, the applicant shall remedy or remove the same within a period of not more than 45 days from the date of receipt by the Applicant of the ruling of the Executive Board. If the Applicant does not comply with the Executive Board ruling within such period, the Executive Board may, at its option, record a notice of noncompliance against the real property on which the noncompliance exists, may enter upon such property and remove the non-complying Improvement to Property, or may otherwise remedy the noncompliance, and the Applicant shall reimburse the Master Association, upon demand, for all expenses incurred therewith. If such expenses are not promptly repaid by the Applicant or Owner of an affected Lot to the Master Association, the Executive Board may levy a Default Assessment against the affected Owner of such Lot for such costs and expenses. The right of the Master Association to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Master Association may have at law, in equity, or under this Master Declaration. Neither the Applicant nor the affected Owner of such Lot shall have a claim for damages or otherwise on account of the Master Association's entry upon the real property and removal of the non-complying Improvement to Property.

Section 9.21 No Implied Waiver or Estoppel. No action or failure to act by the Design Review Committee or by the Executive Board shall constitute a waiver or estoppel with respect to future action by the Design Review Committee or the Executive Board with respect to any Improvement to Property. Specifically, the approval by the Design Review Committee of any Improvement to Property shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications or other materials submitted with respect to any other Improvement to Property.

Section 9.22 Committee Power to Grant Variance. The Design Review Committee may authorize variances from compliance with any of the provisions of this Master Declaration including, without limitation, restrictions upon height, size, floor area, or placement of structures or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Design Review Committee. If any such variance is granted, no violation of the provisions of this Master Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Master Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of any architectural control committee of a Subassociation, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned, including, but not limited to, the zoning ordinances and setback lines or requirements imposed by any governmental authority having jurisdiction.

Section 9.23 Compensation of Members. Members of the Design Review Committee may receive compensation for services rendered including reimbursement of out-of-pocket expenses incurred by them in the performance of their duties hereunder. Such compensation shall be determined by the Executive Board from time to time, and shall be a Common Expense of the Master Association.

Section 9.24 Meetings of Committee. The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may, from time to time, by resolution in writing adopted by a majority of the members, designate a Representative (the "Committee Representative") (who may, but need not, be one of its members) to take any action or perform any duties for or on behalf of the Design Review Committee, except the granting of approval to any Improvement to Property and granting of variances. The action of such Committee Representative or the written consent or the vote of a majority of the members of the Design Review Committee shall constitute the action of the Design Review Committee.

Section 9.25 Records of Actions. The Design Review Committee shall report in writing to the Executive Board all final actions of the Design Review Committee and the Executive Board shall keep a permanent record of such reported actions.

Section 9.26 Estoppel Certificates. The Executive Board shall, upon the reasonable request of any interested party and after confirming any necessary facts with the Design Review Committee, furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any Person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

Section 9.27 Nonliability for Committee Action. There shall be no liability imposed on the Design Review Committee, any member of the Committee, any Committee Representative, the Master Association, any member of the Executive Board, or Declarant for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Design Review Committee unless due to the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Design Review Committee shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations nor shall any approval from any governmental authority constitute an approval by the Design Review Committee.

Section 9.28 Construction Period Exception. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Design Review Committee shall temporarily suspend the provisions contained in this Master Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction; provided that, during the course of any such construction, nothing is done which will (a) result in a violation of any of the provisions of this Master Declaration upon completion of construction, (b) not be in compliance with the descriptions and materials furnished to, or any conditions imposed by, the Design Review Committee, or (c) constitute a nuisance or unreasonable interference with the use and enjoyment of other property in the Property.

Section 9.29 Enforcement of Restrictions.

- (a) The Design Review Committee shall have primary responsibility to enforce the restrictions set forth in this Article, IX and the, Rules and Regulations and Design Guidelines adopted by the Design Review Committee; provided, however, that such responsibility shall not limit the right of the Master Association to take action under any other Article of this Declaration. If the Design Review Committee does not take action to enforce such restrictions within fifteen days after being requested to do so by the Executive Board, the Master Association may assume responsibility for enforcing such restrictions in any case in which the Design Review Committee declined to act.
- (b) If an Owner violates any term or condition set forth in this Article IX or in the Rules and Regulations of the Design Review Committee, the Design Review Committee and the Master Association shall have the following rights and remedies:
 - (1) The Design Review Committee may, by written notice to the Owner, revoke any approval previously granted to the Owner, in which event the Owner shall, upon receipt of such notice, immediately cease any development, improvement, alteration or landscaping covered by the approval so revoked.
 - (2) The Design Review Committee and the Master Association may, but are not obligated to, enter upon the Owner's Lot and cure such violation at the Owner's sole cost and expense. If the Design Review Committee or the Master Association cures any such violation, the Owner shall pay to the Master Association the amount of all costs incurred by the Design Review Committee or the Master Association in connection therewith within thirty days after the Owner receives a written invoice therefor from the Design Review Committee or the Master Association.
 - (3) The Master Association may sue the Owner to enjoin such violation.
 - (4) The Master Association may sue the Owner for all damages, losses, costs and expenses, including, without limitation, reasonable attorneys fees and disbursements, incurred by the Design Review Committee or the Master Association as a result of the violation.
 - (5) The Design Review Committee and the Master Association shall have all other rights and remedies available to them under this Declaration, at law, or in equity. All rights and remedies of the Design Review Committee and the Master Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

ARTICLE X GENERAL RESTRICTIONS

Section 10.1 Binding Effect. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Executive Board if such strict application would be unreasonably or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Design Committee or the Executive Board, as applicable.

Violation of any provision of this Article by an Owner shall permit the Association a right of entry upon the Lot of such Owner to cure such violation or otherwise cause compliance with such provision without the prior written notice to, or consent of, such Owner. Notwithstanding the foregoing, there shall be no entry into the interior of a family residence without the consent of the Owner thereof unless a clear emergency exists.

Section 10.2 Permitted Uses. Lots shall be used primarily for residential purposes and uses that are customarily incidental thereto, including short-term and long-term rentals. No Improvement erected on a Lot shall be used or occupied for any purpose other than for a family residence. No Lot shall be used at any time solely for business, commercial, or professional purposes, except as are inherent in the types of residential uses described above. Notwithstanding the foregoing, an Owner may use his or her Lot for a professional occupation or home business, as long as the Lot is also being used for a family residence, the applicable zoning ordinances permit such use, and there is no external evidence of the occupational/business use. The Association is hereby authorized to adopt reasonable Rules and Regulations governing the use and occupancy of the Lots that are not inconsistent with the provisions of this Master Declaration. Notwithstanding the foregoing, business activities associated with the sale of Lots or residences constructed thereon shall be allowed.

Section 10.3 Design Control. Except as expressly provided to the contrary in Sections 4.13 and 9.2 above and Section 10.25 and Article XV below, no improvements, alterations, repairs, excavation, grading, major landscaping or other work which in any way alters the exterior appearance of any property within the Master Community, or the improvements located thereon, from its natural or improved state shall be made or done without the prior written consent of the Design Review Committee, and no changes or deviations in or from the plans and specifications consented to by the Design Review Committee shall be made without the prior written consent of the Design Review Committee.

Section 10.4 Landscaping. Each Purchaser of a Lot from the declarant under a Subassociation shall ensure that the landscaping of such Purchaser's Lot is completed in accordance with plans approved by the design review committee of that Subassociation within the time frame required by the Design Guidelines and by that Subassociation; provided, however, a Purchaser that acquires a Lot for the purpose of engaging in the business of constructing a residence thereon shall only be required to complete all final grading and appropriate erosion control on and reseed the Lot within 30 days after a certificate of occupancy is issued (if such Purchaser is still the owner), but shall not be obligated to complete the landscaping, if any, of the Lot. It shall be the obligation of the Purchaser from such Person to complete the landscaping, if any, as soon as practicable after such Purchaser's acquisition of the Lot. All yards on every Lot, including unimproved Lots, and open spaces shall be kept mowed to a maximum height of six inches. The entire area of every Lot on which no Improvements have been constructed shall be maintained in a clean and safe condition. In addition, each Lot shall be kept free from brush, weeds, or similar growth or trash which, in the reasonable opinion of the Design Review Committee, is unsightly or causes undue danger of .

Section 10.5 Animals. No non-domesticated animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot. Domesticated birds or fish and other small domestic animals (e.g., cats and dogs) are allowed, provided that they are not kept, bred, or maintained for

any commercial purpose. No animal of any kind shall be permitted that, in the reasonable opinion of the Executive Board, poses a threat to the health, safety, or welfare of the Owners or makes an unreasonable amount of noise or odor or is a nuisance. All animals shall be controlled by their Owners and shall not be allowed off their Owners' Lots except when properly leashed and accompanied by the Owner or such Owner's representative. Each Owner shall be responsible for proper collection and disposal of animal refuse from any property within the Community, including along trails or in open space areas. Additionally, each Owner of an animal shall be financially responsible and liable for any damage caused to person or property by said animal.

Section 10.6 Temporary Occupancy and Temporary Buildings. No trailer, incomplete building, tent, shack, garage, barn or temporary buildings or structures of any kind shall be used at any time for a residence, either temporary or permanent. Notwithstanding the foregoing, tents for overnight camping on a Lot shall be permitted, provided that any such tent shall not remain visible from any other Lot, any Common Element or the streets within the Master Community for a period of more than 48 hours. Temporary buildings or structures used during the construction of a dwelling on any Lot shall be removed immediately after the completion of construction.

Section 10.7 No Storage Sheds. Notwithstanding anything to the contrary herein, no manufactured or individually constructed storage shed, tent, temporary structure or building, shack, or similar structure shall be placed upon any property within the Property.

Section 10.8 Construction Activities and Type.

(a) Normal construction activities and parking in connection with the building of Improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this Declaration.

(b) All construction shall be new. No building previously used at another location nor any building or structure originally constructed as a mobile dwelling or structure may be moved onto a Lot, except as expressly provided above for temporary buildings.

Section 10.9 Hazardous Activities. No activity shall be conducted within the Master Community that is or might be hazardous to any Person or property. Without limiting the generality of the foregoing, (a) no firearms shall be discharged within the Master Community, and (b) no open fires shall be lighted within the Master Community, except in a contained fireplace or barbecue unit which is attended or is designed to prevent the dispersal of burning embers. Normal construction activities shall not be considered hazardous for the purpose of this Section 10.9.

Section 10.10 Utilities. All electric, gas, water, television, radio, telephone and other utility installations and connections from the boundary of a Lot to improvements located on such Lot shall be placed underground. All cooling and heating apparatus shall be concealed or placed on the ground immediately adjacent to a dwelling. No exterior roof-mounted or side-mounted evaporative cooling or air conditioning units shall be installed on any dwelling.

Section 10.11 Maintenance of Property. No property within the Property shall be permitted to fall into disrepair, and all property within the Property, including any Improvements and landscaping thereon, shall be kept and maintained in a clean, safe, attractive, and slightly condition and in good repair. Maintenance, repair, and upkeep of each Lot shall be the responsibility of the Owner of the Lot. Maintenance, repair, and upkeep of Common Elements shall be the responsibility of the Master Association. Additionally, and without limiting the generality of the foregoing, each Dealer or Purchaser that intends to develop the real estate it purchases within the Master Community into residential Lots agrees to obtain and maintain any and all required permits, licenses, and approvals from any governmental authority having jurisdiction over the subject property, and, with respect to such property, to comply with any and all requirements, conditions, restrictions of that governmental authority. Each such Dealer or Purchaser further agrees to indemnify, hold harmless and defend Declarant from any claim, liability, loss, or damage asserted against Declarant by reason of any failure of such Dealer or Purchaser to obtain, maintain or comply with, or fulfill its obligations under, any such requirements. Violation of this provision by a Dealer or Purchaser shall permit the Master Association, after Notice and Hearing, to enter on the property of such Dealer or Purchaser and cure the violation or cause compliance with this provision and to levy and collect a, Default Assessment for the costs and expenses of the Master Association in so doing; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy without the consent of Owner thereof unless a clear emergency exists.

Section 10.12 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Property nor shall anything be done or placed thereon which is or may become a nuisance or cause an unreasonable embarrassment, disturbance or annoyance, to others. No light or sound shall be emitted from any property within the Property which is noxious or unreasonably offensive to others. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, and no offensive odors, shall be permitted to arise or emit therefrom, so as to render any such Lot or any portion thereof, or activity thereon, unsanitary, unsightly, offensive, or detrimental to any other Lot or to the occupants of such other Lot. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot or to its occupants.

Section 10.13 Mineral Exploration. None of the surface portion of the Property, including any Lot, shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, earth, water, or any earth substance of any kind.

Section 10.14 Exterior Mechanical Equipment. No exterior mechanical equipment shall be erected on any "t without the specific written approval of the Design Review Committee.

Section 10.15 Signs. No signs whatsoever shall be erected or maintained on any Lot except (a) signs required by legal proceedings; (b) Lot identification signs with areas of 109 or fewer square inches; (c) "For Sale" and "For Lease" signs (not to exceed one per Lot and not to exceed an area of 480 square inches); and (d) such other signs as may have been approved in advance and in writing by the Design Review Committee_ The Design Review Committee shall have the right to establish a standardized sign system which shall be binding on all Owners.

Section 10.16 Trash Containers. No garbage or trash shall be placed or kept on any Lot, except in covered containers. No such trash containers shall be kept on any Lot in a manner such that they are visible from any other Lot, except on trash collection days. All trash containers shall be placed curbside for trash collection no earlier than the evening prior to collection and must be removed from the curbside to the storage location no later than the evening on the day of trash collection.

Section 10.17 Compliance with Laws. Nothing shall be done or kept on a Lot in violation of any law, ordinance, rule or regulation of any governmental authority.

Section 10.18 Restrictions on Individual Systems. No individual water supply or propane systems (other than for residential grilling purposes), except Lot irrigation systems, shall be installed or maintained for any property within Sapphire Pointe unless such system is approved in writing by the Design Review Committee and is designed, located, constructed, and equipped in accordance with the requirements, standards, and recommendations of any applicable water and sanitation district other governmental authority having jurisdiction. This restriction does not apply to individual water purification systems installed inside the Improvements on a Lot. No cesspool, septic tank, or other sewage disposal system shall be installed within the Property.

Section 10.19 Compliance with Insurance Requirements. Except as may be approved in writing by the Master Association, nothing shall be done or kept on any Lot which may result in an increase in the rates of any insurance, or the cancellation of any insurance, maintained by the Master Association.

Section 10.20 Overhead Encroachments. No tree, shrub or planting of any kind on any Lot shall be allowed to overhang or otherwise to encroach upon any street, trail or other pedestrian way from ground level to a height of eight feet without the prior consent of the Design Review Committee.

Section 10.21 Restrictions on Antennae, Pipes, Utility Lines and Transmitters. Pipes for water, gas, sewer, drainage, or other purposes and wires, poles, antennae and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antennae of any type shall be erected or maintained in the Property. With the approval of the Design Review Committee, a master antenna or cable television antenna or antennae may, but need not, be provided for use of all Owners or a group of Owners, and Declarant may grant easements for such purposes. Notwithstanding the foregoing, neither the restrictions nor the requirements of this Section 10.21 shall apply to those antenna (which may include some satellite dishes and other devices) that are specifically covered by the Telecommunications Act of 1996, as amended from time to time. As to antenna which are specifically covered by the Telecommunications Act of 1996, as amended, the Master Association shall be empowered to adopt rules and regulations governing the types of antenna that are permissible hereunder, and to the extent permitted by the Telecommunications Act of 1996, as amended, establishing reasonable, non-discriminatory restrictions relating to appearance, safety, location and maintenance.

Section 10.22 Oversized Vehicles. No (a) motor vehicle classed by manufacturer rating as exceeding one ton; (b) mobile home; (c) travel trailer, (d) tent trailer; (e) camper shell; (f) detached camper; (g) boat; (h) boat trailer; or (i) other similar equipment or vehicle may be parked, maintained, constructed, reconstructed, or repaired on any Lot or on any street within the Master Community so as to be visible from any other Lot, any Common Element, or the streets within the Master Community for a period of more than two consecutive days or 21 days in any calendar year.

Section 10.23 Restriction on Subdivision and Rezoning. No Lot shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than all of any such Lot shall be conveyed or transferred by any Owner. No further covenants, conditions or restrictions shall be recorded by any Owner or other Person against any Lot without the Master Association's prior written consent, and any covenants, conditions or restrictions recorded without such consent evidenced thereon shall be null and void. No application for rezoning of any Lot, and no applications for variances or use permits, shall be filed with any governmental authority unless the proposed use of the Lot has been approved by the Master Association and the proposed use otherwise complies with this Declaration and all other Governing Documents.

Section 10.24 Owner's Right to Lease Lot. Owners shall have the right to lease their Lots provided that: (a) each lease is in writing with a minimum term of six months-, (b) each lease is for occupancy of a completed Residence; (c) each lease provides that the lessee's occupancy shall be subject to the Governing Documents, and any failure by the lessee to comply with any Governing Document in any respect shall be a default under such lease; and (d) an each Owner leasing a Lot notifies the Association immediately upon the leasing of Lot and registers with the Master Association both the final executed lease and new mailing information for notices to be sent by the Master Association directly to such Owner.

Section 10.25 Declarant's Exemption. Nothing contained in this Declaration or any other Governing Document shall be construed to prevent (a) the exercise by Declarant or any Successor Declarant of any Special Declarant Rights; or (b) the erection or maintenance by Declarant, a Successor Declarant or either of their duly authorized agents, of temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing or sale of property within the Master Community.

Section 10.26 Health, Safety and Welfare. If additional uses, activities, and facilities are deemed by the Executive Board to be nuisances or to adversely affect the health, safety or welfare of Owners or the value of Property, the Executive Board may adopt Rules and Regulations restricting or regulating the same.

Section 10.27 Limitation on Fences. No fences shall be constructed or removed along or adjacent to the boundary or lot line of any Lot without the prior approval of the Design Review Committee unless in conformance with standard design specifications previously approved by the Design Review Committee in the Design Guidelines and in any event in conformance with all applicable zoning guidelines imposed by preliminary or final plats or related documents. An Owner may install privacy fences, security fences, and fences for screening purposes so long as such fences are in conformance with the Design Guidelines previously approved by the Design Review Committee. No gates may be installed by any Owner in any portion of the perimeter

fencing installed by Declarant unless previously approved by the Design Review Committee. No "double gates" will be allowed in any fences installed within the Property. If any portion of the perimeter fencing is damaged by an Owner, such Owner shall be obligated to repair, replace, or restore such damage at its sole cost. If the Owner fails to do so within 30 days following demand from the Executive Board of Directors to do so, the Master Association may perform such work and the cost therefore will be an Individual Purpose Assessment allocable, solely to the responsible Owner's Lot.

Section 10.28 Restriction on Exterior Lighting. Except for lighting to accent landscaping features, lights on directional or locational signage, lights at entrance doors to structures, lights at entrances to property, lights along paths or driveways, lights to illuminate permitted signs and lighting as may be approved in writing by the Design Review Committee under Article IX or in the Design Guidelines, no exterior lighting shall be permitted anywhere within the Property, including lighting for tennis courts or for soccer/baseball fields. Any permitted exterior lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Design Review Committee or in the Design Guidelines. All exterior holiday decorations and lights utilized as seasonal displays must be removed and properly stored in a timely manner following the conclusion of the holiday, but in no case later than 30 days following the expiration of the holiday.

Section 10.29 Basketball Hoops. Basketball hoops shall only be allowed in front Lot areas and then only if. (a) the backboard is installed on a separate free-standing post or pole, set perpendicular to the street; (b) is either clear or painted a color to match the residence on the Lot; or (c) as otherwise approved by the Design Review Committee. No basketball backboards shall be set facing the street. Portable basketball hoops are not allowed in the public street or in a public sidewalk area.

Section 10.30 Play Equipment- Play equipment may be erected within a fenced or screened area but must be a minimum of five feet from the boundary line of the Lot upon which it is located. Such play equipment shall be of an appropriate scale and constructed of approved material and of an approved color. Play equipment utilizing natural materials (wood vs. metal) is preferred.

Section 10.31 Swimming Pools / Hot Tubs. Any swimming pools, spas, hot tubs, Jacuzzis, and the like shall be screened from view of adjacent Lots and rights of way by screening materials and methods approved by the Design Review Committee.

Section 10.32 Dog Houses/Runs. Dog houses, shelters and runs shall be completely screened from view of adjacent public and private property and streets and shall be built from materials compatible with the residential Improvements installed on the Lot; chain link fencing is prohibited.

Section 10.33 Restoration in the Event of Damage or Destruction. In the event of the damage or destruction of any Improvements on any Lot, regardless of the availability of insurance proceeds, the Owner thereof shall cause the damaged or destroyed Improvements to be restored or replaced to their original condition or such other condition as may be approved in

writing by the Design Review Committee, or Owner shall cause the damaged or destroyed Improvements to be demolished and the Lot to be suitably landscaped, subject to the approval or the Design Review Committee, so as to present a pleasing and attractive appearance.

Section 10.34 Use of Fertilizers, Pesticides, and Herbicides. Owners shall use only biodegradable and environmentally sensitive fertilizers, pesticides, and herbicides.

Section 10.35 No Unsightliness. All unsightly conditions, facilities, equipment, and objects shall be enclosed within a structure, including snow removal equipment, trash containers, and garden or maintenance equipment, except when in actual use.

Section 10.36 Maintenance of Drainage. There shall no interference with the established drainage pattern over any property within the Master Community except as approved in writing by the Design Review Committee. Approval shall not be granted unless provision is made for adequate alternate drainage. The "established drainage pattern" shall mean the drainage pattern that exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Design Review Committee. The established drainage pattern may include the drainage pattern (a) from any part of the Property over any Lot; (b) from any Lot over any part of the Property; (c) from any property owned by the Town of Castle Rock or other Persons over any Lot; (d) from any Lot over property owned by the Town of Castle Rock or other Persons; or (e) from any Lot over another Lot.

Section 10.37 Storage. No building materials shall be stored on any Lot except temporarily during continuous construction of an Improvement.

Section 10.38 Vehicle Repairs. No maintenance, servicing, repair, dismantling, or repainting of any type of vehicle, boat, machine, or device may be carried on except within a completely enclosed structure that screens the sight and sound of such activity from the street and from other Lots. The changing of motor oils, fuels, and antifreeze shall be performed in a manner that prevents releases or spills. All used motor oils, fuels, and antifreeze in the storm or waste-water collection systems of Sapphire Pointe is strictly prohibited.

Section 10.39 Storage of Gasoline and Explosives, Etc. No Lot shall be used for the storage of explosives, gasoline, or other volatile and/or incendiary materials or devices. Gasoline or fuel for an Owner's land mower, snowblower, and the like may be maintained on an incidental basis on the Lot in an amount not to exceed five gallons.

Section 10.40 Air Conditioning and Heating Equipment. No heating, air conditioning, or refrigeration equipment shall be placed, allowed, or maintained anywhere other than on the ground. Solar units meeting all governmental guidelines for residential uses, however, may be located on the roof only if (a) such solar unit is built into and made an integral part of the, roof flashing or the structure of any house constructed on such Lot; and (b) such solar unit is specifically approved by the Design Review Committee.

Section 10.41 No Hanging Articles. No clothing or household fabrics or other articles shall be hung, dried, or aired on any Lot or Common Elements in such a way as to be visible

from other Lots or from the Master Community, except to the extent otherwise provided in the Design Guidelines.

Section 10.42 Compliance With Additional Covenants, Conditions, and Restrictions. Each Owner shall comply with all other terms, provisions, covenants, conditions, restrictions, easements and reservations on the Owner's part to be complied with under this Declaration or any other Governing Document, and any Subassociation documents.

A R T I C L E X I
EASEMENTS AND RESERVATIONS

Section 11.1 Declarant's Easements Over Common Elements.

(a) Subject to the reasonable approval of the Metropolitan Districts as to the Common Elements owned by the Metropolitan Districts and under the Control of the Master Association, Declarant hereby reserves for itself, its successors and assigns an easement over, across, through and under the Common Elements to (i) discharge Declarant's obligations under this Declaration; (ii) exercise any of Declarant's rights under this Declaration; and (iii) make Improvements within the Master Community or within the Annexable Property or any other real estate which may be added to the Master Community by Declarant.

(b) Declarant hereby reserves to itself, its successors and assigns, the right to (i) establish from time to time utility and other easements, permits or licenses over, across, through and under the Common Elements, and (ii) create other reservations, exceptions and exclusions for the best interest of all Owners, the Subassociations, and the Master Association.

Section 11.2 Owners' Easements Over Common Elements. Subject to the terms and conditions of this Declaration and all other Governing Documents, Declarant hereby grants to the Owners an easement over, across and through the Common Elements (a) for ingress and egress to their Lots, and (b) to use and enjoy the Common Elements.

Section 11.3 Utility Easement. There is hereby created a blanket easement over, across, through and under the Property for ingress to, egress from, and the installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity and cable television. The Master Association may authorize the release of portions of the blanket easement created by this Section 11.3 upon the request of any Owner showing good cause therefor. Notwithstanding anything to the contrary contained in this Section 11.3, no sewers, electrical lines, water lines, telephone lines or other utility or service lines may be installed or relocated on any portion of the Property, except as approved by the Design Review Committee,

Section 11.4 Master Association's Easements Over Lots. Declarant hereby grants the Master Association an easement over, across, through and under each Lot to (a) exercise any Tight held by the Master Association under this Declaration or any other Master Association document, and (b) perform any obligation imposed upon the Master Association by this Master Declaration or any other Governing Document. Notwithstanding the foregoing, the Master Association shall not enter upon any Lot without reasonable prior notice to the Owner of the Lot, except in cases of emergency.