

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
METZLER RANCH FILING NO. 1**

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THIS DECLARATION is made and entered into by BRE/METZLER L.L.C., a Delaware limited liability company ("Declarant") and the planned community formed by Declarant is to be named "METZLER RANCH FILING NO. I". Declarant intends to form a Colorado non-profit corporation for this planned community and lots to be created therefrom to be called "METZLER RANCH FILING NO. I HOMEOWNERS ASSOCIATION, INC."

WITNESSETH:

WHEREAS, Declarant is the owner of real property situated in the Town of Castle Rock, County of Douglas, State of Colorado, which is described on Exhibit B, attached hereto and incorporated herein by this reference. A plat or map entitled "Metzler Ranch Filing No. 1" showing and describing all of the lots that can be created, or which shall become a part of this planned community, shall be filed with the Clerk and Recorder for Douglas County, Colorado; and

WHEREAS, Declarant desires to subject and place upon the property described on the attached Exhibit A, consisting of four hundred and thirty five (435) lots that Declarant anticipates will be created and become a part of this planned community, certain covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities and other provisions; and

WHEREAS, a common interest community in the State of Colorado may be created pursuant to the Colorado Common Interest Ownership Act, as amended, ("CCIOA"), as defined hereinafter, only by recording a declaration executed in the same manner as a deed. In such a case, the declaration must be recorded in every county in which any portion of the common interest community is located and must be indexed in the grantee's index in the name of the common interest community and in the name of the association, and in the grantor's index in the name of each person executing the declaration. If governed by the Act, no common interest community is created until the plat or map for the common interest community is recorded;

WHEREAS, Declarant has made provision for certain Permitted Exceptions to that property described in Exhibit D, which are neither Common Elements as described in Exhibit B, nor grants of public right of ways as shown and described on the plat map for "Metzler Ranch Filing No. 1".

NOW, THEREFORE, Declarant hereby declares that all of the real property described on that attached Exhibit A and B and which Declarant intends to be created through the exercise of Declarant's Rights of annexation shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, easements, rights-of-way, obligations, liabilities, charges and other provisions set forth herein upon annexation.

PC 397663

ARTICLE I.
DEFINITIONS

1. "Act" means the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq., as amended (previously referred to herein as "CCIOA"). The Community (as hereinafter defined) is subject to the Act, its benefits and responsibilities.
2. "Agencies" means the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Veterans Administration (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any such entities.
3. "Allocated Interests" means the Common Expense Liability and votes in the Association allocated to each Lot. The Allocated Interest for each Lot shall be a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots within the Community from time to time.
4. "Association" means Metzler Ranch Filing No. 1 Homeowners Association, Inc., a community association of property owners that has such rights, powers, responsibilities and duties as are provided in this Declaration, the Articles of Incorporation and Bylaws of the Association for a nonprofit corporation subject to the Act.
5. "Board of Directors" or "Board" means the body, regardless of name, designated in this Declaration, the Articles of Incorporation and the Bylaws of the Association to act on behalf of the Association.
6. "Builder" means any Member other than Declarant who acquires one or more Lots for the purpose of constructing a residence thereon, and who is designated as a Builder by Declarant in its sole discretion from time to time (including the right to withdraw such designation), with such designation to be made by a written instrument duly recorded in the office of the Clerk and Recorder of the County of Douglas, Colorado. At the time this Declaration is made, Declarant recognizes two Builders. As to Parcel II described in Exhibit A hereto, Melody Homes, Inc., a Delaware corporation, is a Builder. As to Parcel III described in Exhibit A hereto, KDB Homes, Inc., a Delaware corporation, is a Builder.
7. "Common Elements" means any property owned or leased by the Association other than a Lot or publicly dedicated property. The Common Elements at the time of recordation of this Declaration are described on Exhibit B attached hereto and incorporated herein by this reference.
8. "Common Expense Liability" means the liability for Common Expenses allocated to each Lot and which Common Expense Liability for each Lot shall be equal to each Owner's proportional share according to the Allocated Interests of such Lot. There shall be a Common Expense Liability as to all Lots created and made a part of the Community.
9. "Common Expenses" means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves. There shall be Common Expenses as to all Lots