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TWENTY-FOURTH SUPPLEMENTAL DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PINE CREEK VILLAGE AT BRIARGATE

(Pine Creek Subdivision Filing No. 36B, a/k/a
La Bellezza at Pine Creek)

THIS TWENTY-FOURTH SUPPLEMENTAL DECLARATION (this "Supplemental Declaration"), dated to be effective as of June 9, 2005, is executed by LP47, LLC, a Colorado limited liability company doing business as La Plata Investments, LLC ("La Plata"), by PINE CREEK VILLAGE ASSOCIATION, INC., a Colorado nonprofit corporation ("PCVA"), and by KF102, LLC, a Colorado limited liability company, and KELLER HOMES, INC., a Colorado corporation (jointly referred to herein as "Builder").

RECITALS

A. This Supplemental Declaration amends and supplements the Declaration of Covenants, Conditions and Restrictions for Pine Creek Village at Briargate recorded November 12, 1998 under Reception No. 098165891, records of El Paso County, Colorado, and supplements and amendments thereto, as amended (the "Declaration").

B. This Supplemental Declaration is made with respect to the real property in the City of Colorado Springs, El Paso County, Colorado, platted and legally described as Pine Creek Subdivision Filing No. 36B ("Pine Creek No. 36B"). The recorded subdivision plat is referred to herein as the "Pine Creek No. 36B Plat."

C. La Plata is the "Declarant" under the Declaration and the developer of the community commonly known as Pine Creek Village at Briargate. The "Development Period," as defined in the Declaration, has not yet expired.

D. Builder is the Owner and the developer of the residential neighborhood known as La Bellezza at Pine Creek, which is located in Pine Creek Village at Briargate and is legally described as Pine Creek Subdivision Filing No. 36B, and which is within the "Additional Property," as defined in the Declaration.

E. La Plata has conveyed Pine Creek No. 36B to the Builder, but retains certain rights as the Declarant.

F. PCVA is the homeowners association established pursuant to the Declaration and is responsible for maintaining the "Common Area," the "Area of Common Responsibility" and certain "Exclusive Common Areas" as provided in the Declaration and in this Supplemental Declaration.

Pursuant to the Declaration, La Plata and Builder have the right, power and authority to amend the Declaration as provided herein. The purpose of this Supplemental Declaration is to extend the Declaration to Pine Creek No. 36B, to make Pine Creek No. 36B subject to the provisions of the Declaration and impose additional covenants, conditions, restrictions and easements on Pine Creek No. 36B. Accordingly, La Plata and Builder hereby amend the Declaration as follows:

1. Addition of Pine Creek No. 36B. Pursuant to Section 7.1 of the Declaration, La Plata hereby adds all of Pine Creek No. 36B to the "Properties," as defined and described in the Declaration. All of the terms, conditions and provisions of the Declaration shall apply to and be binding upon Pine Creek No. 36B, which property and Owners (as defined in the Declaration) shall be subject to all of the terms, conditions and provisions of the Declaration and of this Supplemental Declaration.

2. Supplemental Plat. La Plata hereby adopts and implements the Seventeenth Supplemental Plat for Pine Creek Village at Briargate (Pine Creek Subdivision Filing No. 36B) attached hereto as Exhibit A (referred to herein as the "Seventeenth Supplemental Plat") pursuant to its rights, power and authority set forth in the Declaration and in accordance with the Colorado Common Interest Ownership Act. The Seventeenth Supplemental Plat shows Pine Creek No. 36B and modifies the original plat of Pine Creek Village at Briargate, which was part of and was attached to the Declaration as Exhibit D and was recorded with the Declaration.

3. Neighborhood. Pine Creek No. 36B is hereby designated as a "Neighborhood," as defined in the Declaration. Pursuant to Section 5.3 of the Bylaws of the PCVA, the Owners of Units within the Neighborhood for Pine Creek No. 36B (the "La Bellezza Neighborhood") may form a committee composed of three to five individuals (the "La Bellezza Neighborhood Committee"). A La Bellezza Neighborhood Committee formed in accordance with the Bylaws will advise the board of directors of the PCVA with respect to services to be provided to the La Bellezza Neighborhood by the PCVA, the amount of the Neighborhood Assessment (as discussed below in Paragraph 8) and other issues affecting the La Bellezza Neighborhood.

4. Units. Each of the platted Units identified as Units 1 through 48, inclusive, in Pine Creek No. 36B, as described on the Seventeenth Supplemental Plat is a "Unit" for

all purposes of the Declaration. The residential dwelling on the Unit shall be known as the "Home." The owners of record title to the Unit are referred to herein as the "Owners."

5. Designation as Common Area. La Plata, in its capacity as Declarant under the Declaration and pursuant to its express rights under Section 7.5 of the Declaration during the Development Period, hereby declares that the following areas shall, from and after the date of this Supplemental Declaration, be deemed to be additional Common Area under the Declaration to be maintained by the PCVA as additional Areas of Common Responsibility:

(a) Tracts A, B, C and J as shown on the Pine Creek Filing No. 36B Plat; and

(b) Any and all landscaping, fences, walls and entry monumentation located within Tracts A, B, C and J in Pine Creek No. 36B.

6. Designation as Exclusive Common Area. Pursuant to the authority referred to in Paragraph 5 above, La Plata, as the Declarant, hereby declares that the following areas shall, from and after the date of this Supplemental Declaration, be deemed to be Exclusive Common Areas (as defined in the Declaration) for the exclusive use and enjoyment of the Owners and residents of Units within the La Bellezza Neighborhood, to be maintained by the PCVA as additional Areas of Common Responsibility:

(a) Tracts and Areas: Tracts D, F, G, H, I, K and L, as shown on the Pine Creek No. 36B Plat.

(b) Private Streets: Tract E, as shown on the Pine Creek No. 36B Plat, consisting of private streets known as Palazza Grove and Tuscanna Grove.

7. Maintenance and Service Responsibilities.

(a) PCVA Services. The PCVA shall provide such maintenance and services as described herein and in the Declaration, including, without limitation, any irrigation systems located on the Common Areas. The PCVA shall also provide trash removal services for the La Bellezza Neighborhood in the same manner as for other areas of Pine Creek and funded through the General Assessment.

(b) PCVA Maintenance. The PCVA will maintain, as Areas of Common Responsibility, those areas described in Paragraphs 6 and 9 hereof, and all landscaped areas within Pine Creek No. 36B, even if such landscaped areas are located on a Unit or on the Exclusive Common Areas. The PCVA will maintain, repair and replace, through applicable reserves, the improvements, if any, installed on Tracts D,

E, F, G, H, I, K and L. The PCVA will provide snow removal services on the Driveways, as defined in Paragraph 9(a) below, sidewalks and Tract E in accordance with rules and procedures to be adopted by the board of directors of the PCVA upon the recommendation and advice of the La Bellezza Neighborhood Committee, if one is formed. The PCVA will maintain, repair and replace the Private Storm Drain System, as defined in Paragraph 9(b) below; such maintenance shall include a televised visual inspection of the lines each year.

(c) Owner Maintenance. Owners shall be responsible for maintenance, repair and replacement of their Courtyard Use Areas, their municipal service lines, water lines and sewer lines from their Homes to the public mains, except for any responsibility of Colorado Springs Utilities and the Private Storm Drain System to the extent of Paragraph 9 below. Each Owner shall, at Owner's expense, also be responsible for repairing any damage caused to Common Areas, Exclusive Common Areas or Areas of Common Responsibility in connection with such maintenance, including, but not limited to replacing and restoring any of such Areas to the condition or better than the condition prior to Owner performing such maintenance.

(d) Courtyards. Each Unit within Pine Creek No. 36B will have a separate private outdoor living area/courtyard use area (the "Courtyard Use Area") that may be located upon the Unit or may extend into adjoining Units. **Exhibit B** attached hereto and incorporated herein contains the illustrations of the Courtyard Use Area and Driveway areas. The Courtyard Use Area(s) shall be repaired, maintained and replaced by the Owner(s) as designated on **Exhibit B** or otherwise as having use of such areas, and easements are hereby reserved within Pine Creek No. 36B, including, without limitation, the Units and the Exclusive Common Areas, for the Courtyard Use Areas.

(e) Other Private Areas. Units within Pine Creek No. 36B may have decks and/or porches which extend into the Common Area and/or Exclusive Common Area. Any such private areas may be designated by amendment in the same manner as the Courtyard Use Areas and/or Driveways, and easements are hereby reserved upon Pine Creek No. 36B, including, without limitation, the Units and the Exclusive Common Areas, for such private areas. Any such private areas shall be maintained, repaired and replaced by the Owners thereof.

(f) Landscape Installation and Initial Maintenance. Until the Builder has conveyed completed Homes on Lots 1 through 48, inclusive, in Pine Creek No. 36B (the "Builder Construction Period"), installation and maintenance of all approved landscape elements on the

Units and Exclusive Common Areas shall be the sole responsibility of the Builder to coordinate and fund. The Builder shall invoice the PCVA quarterly for landscape maintenance services based upon the Units which have been sold to third-party buyers. Such billing shall be prorated to the date of closing and invoiced at the per-Unit landscape maintenance expense as it is presented in that year's operating budget for the La Bellezza Neighborhood. Water tap accounts (meters) with Colorado Springs Utilities that serve the irrigation system for the Units and Exclusive Common Areas shall be transferred to the PCVA prior to activating any portion of the irrigation system served by such tap(s). At the termination of the Builder Construction Period, the Builder and PCVA shall perform an inspection of all landscape elements and irrigation systems for needed repairs or replacement. Upon completion of such repairs or replacements by Builder, the PCVA will accept maintenance responsibility on all Units and Exclusive Common Areas and formally release Builder from same.

8. Neighborhood Assessment.

(a) Assessments. Each Unit within Pine Creek No. 36B and its Owners will be assessed General Assessments (as defined in the Declaration) in order to cover the costs of owning, repairing, replacing and maintaining the Common Areas described in Paragraph 5 above. In addition, each Unit within Pine Creek No. 36B and its Owners shall also be assessed Neighborhood Assessments (as defined in the Declaration) in order to cover the cost of Neighborhood Expenses (as defined in the Declaration) which include, without limitation, the costs of owning, repairing, replacing and maintaining the Exclusive Common Areas and Areas of Common Responsibility described in Paragraphs 6 and 9 hereof, the costs of services, repairs and maintenance to be provided by the PCVA described in Paragraphs 7(b) and 9 hereof, liability and crime insurance (and any other insurance required by the Declaration) to be provided for the Exclusive Common Areas and the management and administrative expenses relating to services funded by the Neighborhood Assessments. Until such time that the Builder conveys to the PCVA those Tracts within Exclusive Common Area as defined by Paragraph 6 above, liability insurance coverage for such Tracts shall be the sole responsibility of the Builder (with the PCVA and La Plata shown as additional insured on the policy certificate). Such Neighborhood Assessments and Neighborhood Expenses for Pine Creek No. 36B will be set annually by the board of directors of the PCVA, upon advice and recommendation of the La Bellezza Neighborhood Committee if one has been formed, and assessed equally upon each Unit in the La Bellezza Neighborhood.

(b) Commencement of Assessments.

Notwithstanding any provision of this Supplemental Declaration and/or the Declaration, neither the General Assessments nor the Neighborhood Assessments shall commence or be owed by any Unit and/or Owner unless and until a Home is fully completed thereupon as evidenced by a certificate of occupancy or final inspection thereof by the appropriate official of the El Paso County Regional Building Department, provided however, the Builder may, at its option, make certain contributions, either in cash or in kind, to the PCVA for any Neighborhood Expenses attributable to the La Bellezza Neighborhood.

(c) Replacement Reserves.

In accordance with Section 8.5 of the Declaration, the Neighborhood Expenses shall take into account the number and nature of replaceable assets within Exclusive Common Areas and Areas of Common Responsibility described in Paragraph 9 hereof, the expected life of each asset and their expected repair or replacement cost. The Owners shall pay as part of the Neighborhood Assessment, their Unit's share of replacement reserves. Each Owner acknowledges and understands that during the Builder Construction Period, the Neighborhood Expenses may not include full funding of reserve accounts, but will rather attempt to establish reasonable reserve accounts (both capital and operational or deferred maintenance reserves). For purposes of the Neighborhood Expenses, a reasonable reserve account will consist of reserves (both capital and operational or deferred maintenance reserves) which are not greater than 70% nor less than 10% of the anticipated reserve amount determined in the following manner: within six months following the termination of the Builder Construction Period, the Builder will commission and pay for a third party reserve study acceptable to Builder in his reasonable discretion (the "Reserve Study"). The anticipated reserve amount identified in the Reserve Study will be the anticipated reserve amount on which the 70% to 10% calculation of reasonable reserves described above will be based. The Builder shall pay the additional reserves, if any, to the PCVA within 90 days of the Reserve Study report date based upon the total reserves and working capital collected compared to the total shown by the Reserve Study.

(d) Neighborhood Working Capital Contribution.

In accordance with Section 8.12 of the Declaration, the PCVA collects a capital contribution from the first record title owner at the closing of a Unit (the "Working Capital"). The PCVA will collect an additional Neighborhood Working Capital Contribution (the "Neighborhood Working Capital Contribution") from the first record title owner at the closing of all Units within Pine Creek No. 36B in an amount equal to two months of Neighborhood Assessments. Declarant and Builder are exempt from such contributions.

This amount shall be in addition to, not in lieu of, the PCVA General Assessment and Neighborhood Assessment. The Neighborhood Working Capital Contribution shall be collected and disbursed with other amounts then owing to the PCVA at the purchase and sale of a Unit. The use of such funds by the PCVA shall be restricted to paying Neighborhood Expenses (and not expenses funded through the General Assessment) relating to maintenance, management, administration, utilities and insurance costs incurred for the exclusive benefit of Owners within Filing No. 36B as part of their neighborhood budget. The Neighborhood Working Capital Contributions, if any, shall be allocated upon the completion of the Reserve Study requirement as explained under Paragraph 8(c) to the reserves for the Neighborhood and held in segregated accounts for the La Bellezza Neighborhood.

9. Areas of Common Responsibility. Pursuant to the authority as defined in the Declaration, La Plata, as Declarant, hereby declares that the following improvements, systems and fixtures shall, from and after the date of this Supplemental Declaration, be deemed to be (as defined in the Declaration) for the exclusive use and enjoyment of the Owners and residents of Units within the La Bellezza Neighborhood, to be maintained by the PCVA as additional Areas of Common Responsibility:

(a) Driveway. Each Unit within Pine Creek No. 36B will be allocated a driveway area in front of the Unit's garage (the "Driveway"). Subject to the any parking rules of the PCVA, the Driveway shall be used exclusively for access and parking of the vehicles of that Unit's Owner, that Owner's resident, family members, tenants and guests. The Driveway may be shown by illustration on **Exhibit B** hereto. Easements are hereby reserved upon Pine Creek No. 36B, including, without limitation, the Units and the Exclusive Common Areas, for such Driveway areas. The Driveway areas are to be maintained, repaired and replaced by the PCVA, which shall have an easement for such purposes;

(b) Private Storm Drain System: The storm water system, not owned and maintained by Colorado Springs Utilities, within the La Bellezza Neighborhood (the "Private Storm Drain System"), including all pipes, grates, inlets and other facilities to the extent located outside of the Courtyard Use Area shall be repaired, maintained, and replaced by the PCVA as Areas of Common Responsibility, but to the extent located within the Courtyard, such repair, maintenance, and replacement shall be done by the Owner thereof at his/her sole expense. It is the intent of this provision to limit and restrict PCVA maintenance and reserve responsibilities for the Private Storm Drain System to areas outside the physical boundary of each Courtyard Use Area. The PCVA shall include in its annual televised

visual inspections required under Paragraph 7(b) above, those segments of the Private Storm Drain System located beneath Courtyard Use Areas and provide a report on the results to each Owner for use in their maintenance responsibilities. The Builder shall transfer the applicable portion of the Private Storm Drain System to the PCVA by bill of sale upon completion.

10. Restrictions.

(a) Parking and Garages. In addition to the parking provisions contained in the Declaration, including without limitation Section 10.5 of the Declaration, automobiles and non-commercial trucks and vans may be parked only in the Driveway areas or the garages serving the Units. For purposes of this paragraph, commercial trucks and vans shall include any vehicle exceeding 8,000 GVW, whether or not it has commercial markings. On-street parking in the private streets within the Common Areas may be used only by visitors and temporary guests of Owners, not the Owners themselves, their tenants, or any resident family members. No hauling trailers, recreational vehicles or commercial vehicles shall be parked within Pine Creek No. 36B. No vehicles of any kind shall be parked in any fire lanes or within the Driveways. The Driveways shall be available for the exclusive use of the Units which they serve. Garages shall be used only for vehicle parking and not for storage or other purposes which would prevent parking of vehicles in the garages.

(b) Pets. No dogs, cats or other pets shall be allowed within a Unit, the Common Area or the Exclusive Common Area which violates any rules of the PCVA or the Code of the City of Colorado Springs. Owners shall take personal responsibility for their pet's conduct and waste. No animal shall be permitted to roam freely anywhere within Pine Creek No. 36B, as provided in Section 10.8 of the Declaration, as amended. No animal shall be tied or tethered to any vehicle, landscape element, post or other fixture and left unattended. Dogs and cats, whether owned by the Owner of the tenants or guests of an Owner, shall be on a leash and under control at all times while outside of a Unit, on sidewalks and Driveways, Common Areas and Exclusive Common Areas. Notwithstanding the foregoing, dogs, cats and other pets are permitted to be kept in the Owner's Courtyard Use Area without restraint.

11. Easements.

(a) Utilities and Access. Nonexclusive easements are hereby granted to all Owners and utility providers for the installation, maintenance, repair and replacement of any utilities and related services, including without limitation, gas, electric, water, sewer,

telephone, cable and other public purposes over, through, across and under the Common Areas, Exclusive Common Areas and Areas of Common Responsibility, described in Paragraph 9 above.

(b) PCVA Easement. Nonexclusive easements are hereby granted to the PCVA for the provision of all services and maintenance, repair and replacement of all Common Areas, Exclusive Common Areas and Areas of Common Responsibility as described in this Supplemental Declaration or the Declaration.

(c) Owner Easements. The Owner of each Unit is hereby granted an exclusive easement for that Owner's Driveway and Courtyard Use Area as more particularly described in Paragraph 11(e) below, and a nonexclusive easement for access, utilities and other purposes set forth in this Supplemental Declaration and the Declaration, subject to the provisions thereof and the PCVA's rules.

(d) Pedestrian Easement. The Owners of Units within Pine Creek No. 36B, their family members, licensees and invitees, are hereby granted a nonexclusive easement to walk through the Common Areas, Exclusive Common Areas and Driveways, except within the Courtyard Use Areas, described in Paragraph 9 and 11(e) hereof.

(e) Courtyard Easement. Builder hereby reserves the right to grant, convey and establish an easement ("Courtyard Use Easement") over an identified area of any Unit (the "Burdened Unit") for the benefit of an adjacent Unit (the "Benefited Unit") for the purpose of a Courtyard Use Easement as set forth below:

(i) Courtyard Use Area and Easement. The Courtyard Use Area generally extends from the Home located on the Benefited Unit to the Home located on the Burdened Unit, but does not include the walls or any other improvements located on the Home on the Burdened Unit. The Courtyard Use Area is illustrated on **Exhibit B** attached hereto and shall be referred to in the deeds both to the Benefited Unit and the Burdened Unit. The Courtyard Use Easement shall extend over, across, through and under the Courtyard Use Area for the purposes and uses set forth herein, including without limitation landscaping, drainage and a recreation or garden area for the benefit of the Owner of the Benefited Unit.

(ii) Use. Any and all use of the Courtyard Use Area and the Courtyard Easement shall be subject to the covenants, terms and provisions of this Declaration and to the PCVA's rules. The Courtyard Use Easement shall be used by the Owner of the

Benefited Unit, together with his/her heirs, successors, assigns and his/her family, invitees, contractors, permittees and agents for the purposes set forth herein, but may also be used by the PCVA for the purposes set forth herein and by the Owner of the Burdened Unit, his/her heirs, successors and assigns for the purpose of maintaining proper drainage and the repair, repainting and maintenance of his Home and his/her improvements, subject to the provisions hereof. The Owner of the Benefited Unit shall be entitled to use the Courtyard Use Area to install improvements for the above purposes subject to review and prior written approval in the PCVA's Modifications Committee, as provided in Section 9.2(b) of the Declaration (the "Modifications Committee").

(iii) Restrictions. No uses and no improvements shall be allowed within the Courtyard Use Area which would violate the Declaration, this Supplemental Declaration, and/or the rules of the PCVA. After installation of approved improvements, the Owner of the Benefited Unit shall not change any such improvement within the Courtyard Use Area, including, without limitation, pavers, drains, plantings, landscaping or any other improvement, without the prior written approval of the Modifications Committee and shall not attach any items, including, without limitation, trellises, walls or other items to the Home located on the Burdened Unit without permission of its Owner. The Owner of the Benefited Unit shall not in any way damage or injure the Home located upon the Burdened Unit. Any construction activities, repairs, replacements and recreational activities shall be installed or utilized with the best efforts to minimize the inconvenience to the Owner of the Burdened Unit. The Owner of the Burdened Unit shall repair any damage to the Courtyard Use Area caused by repairs, repainting and maintenance of his Home and his improvements.

(iv) Maintenance. The Owner of the Benefited Unit shall be responsible for all costs and expenses of the repair, maintenance, improvement and replacement of the Courtyard Use Area, except to the extent that the Owner of the Burdened Unit causes damage to the Courtyard Use Area. The Owner of the Benefited Unit shall ensure that landscape materials, leaves, foreign objects, and debris do not clog, impair, or otherwise affect the drain inlets located in the Courtyard Use Area and shall otherwise comply with the PCVA's rules.

(v) Entry. The PCVA shall have an easement through the Courtyard Use Area for any lawful

PCVA purposes, including without limitation, inspection of the drainage system, inspection of the compliance with the PCVA's rules, and enforcement against the Owner of the Benefited Unit and/or the Burdened Unit. The Owner of the Burdened Unit shall have access to the Courtyard Use Area for repairs, repainting and maintenance of his Home and his improvements, such as utilities and drainage, but subject to a duty to repair any damage done thereby to the Courtyard Use Area; said Owner shall avoid undue inconvenience to the Owner of the Benefited Unit.

(vi) Indemnity and Disclaimers. The Owner of the Benefited Unit shall indemnify La Plata, the PCVA, the Builder, and the Owner of the Burdened Unit from any and all liabilities, obligations, lawsuits and claims arising from said Owner's use, construction of improvements, and other matters related to the Courtyard Use Area, except as provided herein, but including without limitation, any damages relating to drainage, installation of plants and water features, or any other act or omission by the Owner of the Benefited Unit. Any disputes regarding this Paragraph 11 shall be resolved by the PCVA's Board of Directors, whose decision shall be final, conclusive and binding on all persons and parties, except the Builder, its successors and assigns.

12. Acceptance of Maintenance. Upon completion of the fences, walls, entry monumentation within the Common Area, any landscaping and irrigation systems within Tracts A, B, C and J by La Plata, and any other area that is the responsibility of the PCVA, and following inspection and follow-up repairs, if needed, of such improvements by the PCVA and conveyance of Tracts A, B, C and J to the PCVA, the PCVA shall accept Tracts A, B, C and J, such fences, walls and entry monumentation and such other Common Areas as provided herein. After completion of landscaping and other improvements within Tracts D, E, F, G, H, I, K and L by the Builder, inspection and follow-up repairs, if needed, of such improvements by the PCVA, and conveyance of Tracts D, E, F, G, H, I, K and L to the PCVA, the PCVA shall accept Tracts D, E, F, G, H, I, K and L and all landscaping and improvements therein as Exclusive Common Areas. The PCVA shall accept such Exclusive Common Areas, whether as Common Area, Exclusive Common Area, or otherwise, by written notice of acceptance delivered to La Plata and Builder. Upon completion of the landscaped or other areas described herein by La Plata and/or Builder and the acceptance thereof by the PCVA, the PCVA shall accept such landscaped and other areas as Areas of Common Responsibility for all purposes and shall maintain such areas in accordance with the Declaration and as provided in this Supplemental Declaration. To the maximum practicable extent, PCVA shall use existing gates, roads, trails and facilities to

avoid disturbing the Owners of the Units when working on Common Area, Exclusive Common Area or Areas of Common Responsibility.

13. Nature of Easements. This Supplemental Declaration and all easements granted hereby shall run with the land, shall be deemed to touch and concern the land, shall burden all of Pine Creek No. 36B and the Owners, and shall benefit La Plata, Builder, the Owners, the PCVA and all real property owned or maintained by PCVA from time to time.

14. Releases, Disclaimers, and Indemnities. This Paragraph 14 imposes an absolute bar to and waiver of the right of any Owner and/or the PCVA (after acceptance as set forth in Paragraph 12 above) to proceed against the Builder for any defect or deficiency whatever in the design or construction of any Unit or the Common Areas which shall mean and include for these Paragraphs 14 and 15, the Courtyard Use Areas, the Driveway, the Common Area, which shall also include, without limitation, the Exclusive Common Areas, the Areas of Common Responsibility and any private areas described in this Supplemental Declaration.

(a) The provisions of this Paragraph 14 shall apply to any "Protected Party," which is defined as any person or party, including without limitation, the Builder, its agents, employees, shareholders, contractors, brokers, successors, assigns or any person or party related to them or any prior Owner of the property, against whom is asserted any claim, demand, liability, obligation or matter whatsoever regarding the construction, physical condition, value, assessments, reserves, and any other matters related thereto in connection with Pine Creek No. 36B.

(b) Owners acknowledge and understand that certain physical and/or environmental conditions, including but not limited to, mold, lead, asbestos, radon gas, or any other hazardous or toxic substances, may affect Pine Creek No. 36B and that any Protected Party does not warrant and disclaims any liability for any existing or future soil, ecological or environmental conditions affecting Pine Creek No. 36B. Owners acknowledge that no environmental reports were given to them but that they had been advised and given a full opportunity to inspect Pine Creek No. 36B and obtain any professional inspection if they so desired. By acceptance of a deed to a Unit, each Owner accepts the physical and/or environmental condition of Pine Creek No. 36B and acknowledges a full, adequate opportunity to conduct any inspections thereof and releases and indemnifies the Protected Parties from any failure to undertake such inspections.

(c) Subject to the provisions of this Supplemental Declaration, the PCVA or the Owners shall maintain the landscaping, drainage, and irrigation systems

upon Pine Creek No. 36B in such a fashion that the soil surrounding the foundations of the buildings and other improvements shall not become so impregnated with water that they cause expansion of or shifting of the soils supporting the improvements or other damage to the improvements and do not impede the proper functioning of the drainage, landscaping, or irrigation systems as originally installed. Such maintenance shall include, where necessary, the removal or replacement of improperly functioning landscaping, drainage, or irrigation system elements and shall also include regrading and resurfacing where necessary to provide for adequate drainage and to prevent any ponding; no changes in landscaping shall be made in such a way as to endanger the structural integrity or the stability of any of the buildings, Units, Common Area, or the other improvements upon the property. In addition, Owners understand that the soil in the Colorado area contains clay and other substances which may cause it to swell when wet and so can cause earth movement around a building's foundation. Each Owner shall be responsible for any settlement within their private areas, including, without limitation, the Courtyard Use Areas, the Exclusive Common Areas, or other private areas such as porches, sidewalks, decks, patios, driveways and the Courtyard Use Area (any settlement in that area shall be repaired by the Owner of the Benefited Unit). Owners, for themselves, their heirs, successors, assigns and the PCVA, waive and release the Protected Parties from all claims, liabilities, lawsuits and other matters arising from or related to any physical and/or environmental condition within Pine Creek No. 36B, whether past, present or future.

(d) The U.S. Environmental Protection Agency states that exposure to elevated levels of radon gas can be injurious. Any test to measure the level of radon gas can only show the level at a particular time under the circumstances occurring at the time of testing. No Protected Party is qualified to measure radon gas or to evaluate all aspects of this complex area of concern. Prior or subsequent to closing of the Owner's purchase of the Unit, the Owner may wish to test for the presence of radon gas and to purchase or install devices that may be recommended by a qualified inspector. All Protected Parties expressly disclaim and the Owners agree to waive and release any and all Protected Parties from any claims of liability or responsibility with respect to radon gas and related matters and to hold harmless any Protected Party from any claims or liability with respect to radon gas and related matters.

(e) Fiberglass insulation (also known as glass wool) is commonly used for insulation of homes. Fiberglass in various thicknesses and values is used in the areas of walls, floor to ceiling assemblies and ceiling to roof

assemblies of homes to prevent movement of heat and to reduce noise. The U.S. Department of Health and Human Services produced a report that lists glass wool as a substance "which may be reasonably anticipated to be a carcinogen," but that report merely identifies substances selected for further study because of potential risk. The listing of a substance in the report is not an assessment that there is casual connection between glass wool and illness. The Owners acknowledge that fiberglass is used in the wall and floor to ceiling assemblies, and waive any claims against any Protected Party, arising as a result of the use of fiberglass insulation. The Owners shall hold any Protected Party harmless from any claim or liability resulting from the existence of fiberglass insulation in the Home or the project.

(f) Each Owner further covenants and agrees that no representation, promise or warranty, has been made by any of the Protected Parties regarding the development of adjacent properties, the investment potential of the unit, any economic benefits to the Owners, their heirs, successors and assigns, to be derived from the managerial or other efforts of the Protected Parties, or any other third party designated or arranged by any Protected Party, related to the ownership or rental of the unit, or regarding the continued existence of any view from the unit. The Owners, their heirs, successors and assigns, understand that the Protected Parties are under no obligation with respect to future plans, zoning or development of additional property in the area. The Owners, their heirs, successors and assigns, understand that the square footages, sizes and type of Units have been set forth at the sole discretion of the Builder, and that the sales prices may decrease or increase at the sole discretion of Builder.

(g) The Owners, their heirs, successors and assigns covenant and agree that the Protected Parties make no representations or warranties, express or implied, of any nature regarding the Units, Homes and/or Common Areas (all of which are hereby disclaimed by the Protected Parties), including, without limitation, any as to the fitness, workmanlike construction, safety, merchantability, design, condition, quality, or habitability of the Unit, Pine Creek No. 36B, or the Common Areas or improvements related thereto or any electrical, plumbing, heating, gas, water, sewer, structural components, or other mechanical or utility systems or components or appliances or fixtures related thereto. The Owners and the PCVA accept the foregoing disclaimer of warranties and waive, release and indemnify the Protected Party from all claims related thereto, and any expenses and attorneys fees incurred by any Protected Party, together with any claims for bodily injury, property damage and incidental or consequential damages made by any person or party.

(h) No Protected Party shall be liable for claims for consequential and/or punitive damages or for claims relating to Pine Creek No. 36B, including, without limitation, the Unit, the Common Area the Exclusive Common Areas and/or Areas of Common Responsibility, or any improvements arising or relating to any defect in workmanship or in any material used in construction, and the Owners, their heirs, successors and assigns, and the PCVA, expressly waive and release all rights to sue for a defect in construction of Pine Creek No. 36B or the areas described above, or both and shall rely solely on the Owner's own inspection and examination of the project and not on any representations or warranties of any Protected Party. The Owners, their heirs, successors and assigns covenant and agree that this declaration waives and/or limits rights and remedies and that the sales prices of the Units are based in part upon the releases, waivers and indemnity contained in this Paragraph 14 and the other provisions of the Supplemental Declaration.

(i) The releases, disclaimers and provisions of this Paragraph 14 may be modified or changed only to the extent that the Builder executes and delivers a written amendment, modification or change to any Owner, and no other amendment, modification, or change of this Paragraph 14 and/or Builder's rights under this Supplemental Declaration shall be valid or enforced without the Builder's prior written consent.

15. Resolution of Disputes.

(a) Dispute Resolution. Any action, dispute, claim or controversy between any person, entity, including without limitation, any Owner and/or the PCVA, and the Builder, its agents, contractors, successors and assigns, whether in contract, tort or otherwise, and whether or not concerning Pine Creek No. 36B, an individual Unit or the Common Area may be submitted by the Builder at its option, to be resolved either by the procedures as set forth in this section or as set forth in any agreement or statute applicable, and shall include all disputes arising out of or in connection with this Supplemental Declaration, any construction of a Unit or Common Area, and any related agreements or instruments and any transaction contemplated hereby. If so submitted, such disputes shall be resolved as follows:

(b) Initial Notification. Builder may require any Owner to comply with any notification and/or dispute resolution process set forth in any applicable statute, limited warranty (if any), or any applicable agreement between the Builder and any Owner, his/her heirs, successors, or the Builder.

(c) Mediation. If a dispute arises, and is not resolved as provided above, the Owner and Builder shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute formally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding. The Builder will appoint a mediator from a list supplied by the American Arbitration Association in Denver, Colorado ("AAA"), and the parties will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event that the entire dispute is not resolved within 30 calendar days from the date written notice requesting mediation is sent by the Builder to the Owner.

(d) Arbitration. If the above procedure fails to resolve the dispute or claim of defect, the Builder, its successors and assigns may submit the dispute or claim of defect to arbitration by written notice to the Owner or other claimant under the following procedure, and the parties shall then proceed to binding arbitration as follows:

(i) Arbitration shall proceed under Title 9 of the U.S. Code, the Colorado Uniform Arbitration Act, Colo. Rev. Stat. 13-22-201, et. seq., and the construction industry arbitration rules of the AAA as then in effect. In the event any inconsistency between such rules and these arbitration provisions, these provisions shall supersede such rules. All statutes of limitations that would otherwise be applicable shall apply to any arbitration proceeding under this Paragraph 15. If an action, dispute, claim or controversy is brought against the Builder by a third party who is bound by a binding arbitration provision similar to the arbitration provision contained herein, the terms of this Paragraph 15 shall apply to such action, dispute, claim or controversy. Litigation, except to enforce the provisions hereof, shall not be commenced or continued if arbitration has been requested.

(ii) Builder shall select the arbitrator from a list submitted by the AAA, any successor or comparable entity. The arbitrator shall be knowledgeable in the subject matter of the dispute and have no self-interest, bias or relationship with the dispute or the parties.

(iii) The parties shall share equally in the arbitrator's fees and expenses. Each party to the arbitration shall bear all of its own costs incurred

prior to and during the proceedings. This shall include without limitation, the fees of its attorneys, experts, and/or consultants and the costs of the arbitration proceeding, including all ancillary costs, such as stenographic reporters.

(iv) The parties shall be entitled to conduct discovery as if the dispute were pending in a district court in the State of Colorado. In any arbitration proceeding subject to these provisions, the arbitrator is specifically empowered to decide pre-hearing motions that are substantially similar to pre-hearing motions to dismiss and motions for summary adjudication. A stenographic record of the arbitration shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions and appeals. The arbitrator's decision shall contain findings of fact and conclusions of law to the extent applicable, and the arbitrator shall have the authority to rule on all post-hearing motions in the same manner as a trial judge. The statement of decision of the arbitrator upon all of the issues considered by the arbitrator is conclusive, final and binding upon the parties, and upon filing of the statement of decision, with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. Judgment upon any award rendered by the arbitrator may be entered by any state or federal court, as appropriate. The decision of the arbitrator shall be final, and not appealable, except as provided under C.R.S. §13-22-201, *et. seq.*

(e) Standards of Construction. If any claim regarding defects in construction is made, each claim shall be specified with particularity. Each location of any claimed defect must be identified and all evidence supporting each claim, along with all repair methodologies and costs of repair, must be provided by the claimant in advance of any mediation and/or arbitration hereunder. In any arbitration or any other proceedings, it shall be rebuttably presumed that any construction done by the Builder was not defective, that the Builder adequately performed its obligations under its contract, and that the Builder was not negligent if the Builder's performance was substantially in accordance with any of the following: (a) the standards of trade in the Colorado Springs area on the date hereof or (b) any applicable building code in Colorado Springs on the date hereof; or (c) any applicable National Association of Home Builders residential construction guidelines. In any such proceedings, evidence of any scientific, engineering or technical advancements or other knowledge or techniques, or any design theory or philosophy, or any construction or testing knowledge or techniques, where such advancements were discovered

subsequent to the date hereof, shall not be admissible for any purpose, nor shall any evidence of repairs by the Builder be admissible.

(f) Acknowledgment of waiver of right to jury trial. The Builder and the Owners and/or the PCVA understand that by using arbitration to resolve disputes they are giving up any right that they may have to a judge or jury trial with regard to all issues concerning the Unit, the Common Area, Pine Creek No. 36B, and matters related thereto. The Builder, the Owners and the PCVA also waive any right to jury trial in the event of any litigation.


16. Amendments. Builder reserves the right to amend this Supplemental Declaration with the written consent of La Plata.

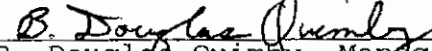
17. Capitalized Terms. All capitalized terms used herein and not otherwise defined in this Supplemental Declaration shall have the same meaning ascribed to it in the Declaration.

IN WITNESS WHEREOF, the parties have executed this Supplemental Declaration to be effective as of the day and year first above written.

LA PLATA:

LP47, LLC, a Colorado limited liability company doing business as La Plata Investments, LLC

By 
Scott E. Smith, Manager

By 
B. Douglas Quimby, Manager

PCVA:

PINE CREEK VILLAGE ASSOCIATION, INC., a Colorado nonprofit corporation

By 
Chuck Fowler, President

BUILDER:

KF102, LLC, a Colorado liability company

By: KF Properties, LLC, a Colorado limited liability company, as Manager

By: [Signature]
David A. Keller, Manager

KELLER HOMES, INC., a Colorado corporation

By: [Signature]
Its _____ President

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 3rd day of June, 2005 by Scott E. Smith as Manager and by B. Douglas Quimby as Manager of LP47, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: August 4, 2007

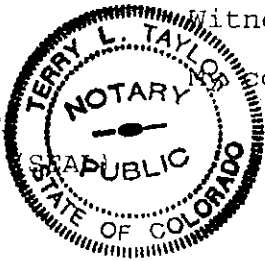


[Signature]
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 9th day of June, 2005 by Chuck Fowler as President of Pine Creek Village Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.



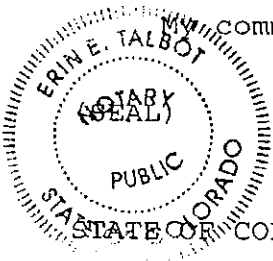
My commission expires: 10-19-2005

Terry L. Taylor
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 3rd day of June, 2005 by David A. Keller as Manager of KF Properties, LLC, a Colorado limited liability company, Manager of KF102, LLC, a Colorado limited liability company.

Witness my hand and official seal.



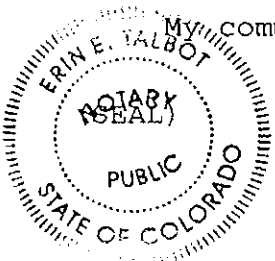
My commission expires: 5/17/2008

Erin E. Talbot
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 3rd day of June, 2005 by David A. Keller as President of Keller Homes, Inc., a Colorado corporation.

Witness my hand and official seal.



My commission expires: 5/17/2008

Erin E. Talbot
Notary Public