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NOTICE TO CLOSING AGENTS: THIS IS A FEE-ASSESSED SUBDIVISION. CHECK WITH THE HOMEOWNERS ASSOCIATION FOR FEE SCHEDULE.

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
HIGHLAND MEADOWS GOLF COURSE SUBDIVISION
(A Common Interest Community)**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HIGHLAND MEADOWS GOLF COURSE SUBDIVISION is made and entered into this March 31, 2004, by HIGHLAND MEADOWS GOLF COURSE LLC, a Colorado limited liability company ("the Declarant").

RECITALS

A. The Declarant is the owner of the real property legally described on Exhibit "A" attached hereto and incorporated herein by reference ("the Real Estate").

B. The Declarant desires to create a Common Interest Community on the Real Estate pursuant to the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as it may be amended from time to time ("the Act"), in which portions of the Real Estate will be designated for separate ownership and the remainder of which will be owned by an Association of Lot Owners.

C. The Highland Meadows Golf Course Master Homeowners Association (a Colorado nonprofit corporation) has been incorporated under the Laws of the State of Colorado for the purpose of exercising the functions herein set forth.

ARTICLE I. SUBMISSION OF REAL ESTATE

The Declarant hereby publishes and declares that the Real Estate shall be held, sold, conveyed, transferred, leased, subleased, and occupied subject to the following easements, covenants, conditions, and restrictions, which shall run with the Real Estate and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in the Real Estate or any portion thereof, their heirs, personal representatives, successors, and assigns. Additionally, the Declarant hereby submits the Real Estate to the provisions of the Act. In the event the Act is repealed, the Act on the date this Declaration is recorded in the Larimer County Clerk and Recorder's office shall remain applicable.

Turner - Jon
Hillside Golf Course Covenants
HMGC Master with Metro Dist.

HILLSIDE COMMERCIAL GROUP

8020 S COUNTY RD 5 #200
WINDSOR, CO 80528-8994

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ARTICLE II. DEFINITIONS

Unless the context clearly indicates otherwise, when used in this Declaration and capitalized, the following terms shall have the meaning given:

1. "Allocated Interests" shall mean and refer to the Common Expense Liability and votes in the Association.

2. "Approval" or "Consent" shall mean securing the prior written approval or consent as required herein before doing, making, accepting, permitting, or allowing that for which such approval or consent is required. Any Approval or Consent required by this Declaration shall not be withheld arbitrarily, capriciously or unreasonably.

3. "Architectural Control Committee" shall mean and refer to the committee established to review and approve plans for the construction of improvements on Lots as set forth in Article XI of this Declaration.

4. "Architectural Guidelines" shall mean and refer to any and all guidelines adopted by the Architectural Control Committee pursuant to Article XI of this Declaration.

5. "Association" or "Lot Owners' Association" shall mean and refer to The Highland Meadows Golf Course Master Homeowners Association (a Colorado nonprofit corporation), its successors and assigns, organized and existing under the Laws.

6. "Board" shall mean and refer to the Board of Directors of the Association. The term "Board" as used in this Declaration shall have the same meaning as the term "Executive Board" as used in the Act.

7. "Buildings" shall mean and refer to all buildings constructed within the Common Interest Community.

8. "Bylaws" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Association, including amendments to those instruments.

9. "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Lot pursuant to this Declaration.

10. "Common Interest Community" shall mean and refer to the Real Estate.

11. "County" shall mean and refer to Larimer County, Colorado.

12. "Declarant" shall mean and refer to Highland Meadows Golf Course LLC, or any other Person or group of Persons acting in concert who, as a part of a common promotional plan,

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offer to Dispose of to a Purchaser such Declarant's interest in a Lot not previously disposed of to a Purchaser.

13. "Declaration" shall mean and refer to this Declaration, including any amendments or supplements hereto, and also including, but not limited to, plats of the Real Estate recorded in the County Clerk and Recorder's office.

14. "Dwelling Unit" shall mean and refer to a Single Family Residential Dwelling constructed on a Lot which may be either freestanding or attached to a Single Family Residential Dwelling constructed on an adjacent Lot.

15. "Development Property" shall mean and refer to the real property described on Exhibit "B" attached hereto and incorporated herein by reference.

16. "Dispose" or "Disposition" shall mean and refer to a voluntary transfer of any legal or equitable interest in a Lot, but the term does not include the transfer or release of a Security Interest.

17. "Documents" shall mean and refer to this Declaration, the Plat, the Architectural Guidelines, and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association, as supplemented or amended from time to time.

18. "Common Expenses" shall mean and refer to all expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves. Common Expenses shall include, but are not limited to:

- (a) Expenses of administration of the Association including, but not limited to, liability insurance, attorney's fees, accounting fees, and property management fees.
- (b) Expenses declared to be Common Expenses by any provision of this Declaration.
- (c) Expenses agreed upon as Common Expenses by a majority vote of Member of the Association, present in person or by proxy at a duly called meeting of the Members at which a quorum is present pursuant to, and in accordance with, the Bylaws of the Association.
- (d) Such reasonable reserves as may be established by the Board.

19. "Governmental Authority" shall mean and refer to the Town; the County; and any governmental entity, agency, authority, or district having jurisdiction over the Common Interest Community; any metropolitan district, special district, or special improvement district within which the Common Interest Community is located; any cooperative or governmentally regulated, supervised or licensed public or private entity that provides utility or quasi-utility services to the Common Interest Community.

20. "Identifying Number" shall mean and refer to a symbol or address that identifies only one (1) Lot in the Common Interest Community.

21. "Insurer" shall mean and refer to any governmental agency or authority that insures or guarantees a Mortgage and that has provided actual written notice of such interest to the Association. Recording of a mortgage, deed of trust, or other Security Interest in the County Clerk and Recorder's office shall not be considered actual written notice to the Association of a Security Interest.

22. "Landscaping" shall mean and refer to trees, shrubs, grasses, flowers, and other plants and plant materials; rocks, stones, gravel, wood chips, concrete, bricks, and other hard surfacing; fences, walls and other barriers; and all other structures and materials covering the ground.

23. "Law" shall mean and refer to any statute, law, ordinance, resolution, rule, or regulation or ordinance of any Governmental Authority applicable to the Common Interest Community, including, but not limited to, the Act.

24. "Lot" shall mean and refer to a physical portion of the Common Interest Community which is designated for separate ownership and the boundaries of which are described on and shall be determined from the Plat. The term "Lot" as used in this Declaration shall have the same meaning as the term "Unit" as used in the Act.

25. "Mortgagee" shall mean and refer to any Person who has a Security Interest in a Lot and who has provided actual written notice of such Security Interest to the Association. Recording of a mortgage, deed of trust, or other Security Interest in the County Clerk and Recorder's office shall not be considered actual written notice to the Association of a Security Interest.

26. "Notice" shall mean and refer to any notice required or desired to be given pursuant to the Documents. Unless otherwise provided in the Documents, all notices shall be in writing and may be personally delivered; mailed, certified mail, return receipt requested; sent by telephone facsimile with a hard copy sent by regular mail; sent by a nationally recognized receipted overnight delivery service, including, by example and not limitation, United Parcel Service, Federal Express, or Airborne Express; or sent by electronic mail. Any such notice shall be deemed given when personally delivered; if mailed, three (3) delivery days after deposit in the United States mail, postage prepaid; if sent by telephone facsimile or electronic mail, on the day sent if sent on a business day during regular business hours (9 a.m. to 5 p.m.) of the recipient, otherwise on the next business day; or if sent by overnight delivery service, one (1) business day after deposit in the custody of the delivery service. The addresses, telephone numbers, and electronic mail addresses for the mailing, transmitting, or delivering of notices to Owners shall be as set forth in the books and records of the Association. The address for which the Association shall be its principal office. Notices of a change of address shall be given in the same manner as all other notices as hereinabove provided.

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27. "Owner" shall mean and refer to any Person who owns a Lot but does not include a Person having an interest in a Lot solely as security for an obligation. The Declarant is the Owner of any Lot until that Lot is conveyed to another Person. The term "Owner" as used in this Declaration shall have the same meaning as the term "Unit Owner" as used in the Act.

28. "Person" shall mean and refer to a natural person, a corporation, a limited liability company, a partnership, an association, a trust, or any other entity or combination thereof.

29. "Plat" shall mean and refer to the Plat of the Real Estate recorded prior to, contemporaneously with, or subsequent to the recording of this Declaration in the County Clerk and Recorder's office, and all recorded amendments and supplements thereto, and any plat of any real estate added to the Common Interest Community pursuant to Article VI hereinafter.

30. "Purchaser" shall mean and refer to a Person, other than the Declarant, who by means of a transfer, acquires a legal or equitable interest in a Lot, other than:

- (a) A leasehold interest in a Lot of less than thirty (30) years, including renewal options, with the period of the leasehold interest, including renewal options, being measured from the date the initial term commences; or
- (b) A Security Interest.

31. "Real Estate" shall mean and refer to the Real Estate described on Exhibit "A" attached hereto and incorporated herein by reference, and any real estate subsequently added to the Common Interest Community pursuant to Article VI hereinafter.

32. "Residential Use" shall mean and refer to use of a Dwelling by a Single Family for cooking, eating, sleeping and other usual and customary personal, private, family, domestic, household and housekeeping purposes.

33. "Rules and Regulations" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Common Interest Community, including any amendment to those instruments.

34. "Security Interest" shall mean and refer to an interest in a Lot created by contract or conveyance which secures payment or performance of an obligation but only if the Association is given actual written notice of such interest. The term includes a lien created by mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation of which the Association has been given actual written notice of such instrument. "First Security Interest" shall mean and refer to a Security Interest in a Lot, but only if the Association is given actual written notice of such Security Interest, prior to all other Security Interests, except the Security Interest for real property taxes and assessments made by Larimer County, Colorado, or other Governmental Authority having jurisdiction over the Common

Interest Community. For purposes of this Declaration, the recording of any document or instrument in the office of the Clerk and Recorder of Larimer County, Colorado, shall not be considered actual written notice to the Association of any Security Interest created by the recording of such document or instrument.

35. "Single Family" shall mean and refer to either: (a) a single family as defined by any Law; or (b) a group of people consisting of: (i) an individual; or (ii) a married couple and the issue by blood or adoption of each Member of the couple; or (iii) any two individuals who would be considered a couple but for the absence of a ceremony and the issue by blood or adoption of each individual; and (iv) any individual related by blood, adoption, or marriage (legally recognized in any state) to an individual described in clauses (i), (ii), or (iii) above; or (c) any group of not more than three (3) unrelated individuals; whichever definition (a), or (b) or (c) is most restrictive. Any two Individuals shall be considered unrelated if they do not meet any of the criteria set forth in (b) above

36. "Town" shall mean and refer to the Town of Windsor.

Unless the context clearly indicates otherwise, other terms defined in the Act shall have the meanings attributable to such terms in the Act.

Other terms in this Declaration may be defined in specified provisions contained herein and shall have the meaning assigned by such definition.

ARTICLE III. COMMON INTEREST COMMUNITY

1. Name. The name of the Common Interest Community is Highland Meadows Golf Course Subdivision.

2. Association. The name of the Association is The Highland Meadows Golf Course Master Homeowners Association.

3. Planned Community. The Common Interest Community is a planned community.

4. County. The name of every county in which any part of the Common Interest Community is situated is Larimer County, Colorado.

5. Legal Description. A legal description of the Real Estate initially included in the Common Interest Community is set forth on Exhibit "A" attached hereto and incorporated herein by reference. The Declarant reserves the right to add all or any portion of the real estate described on Exhibit "B" attached hereto and incorporated herein by reference to the Common Interest Community pursuant to Article VI hereinafter.

6. Maximum Number of Lots. The maximum number of Lots that the Declarant reserves the right to create within the Common Interest Community is 1,000.

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7. Boundaries of Lots. The boundaries of each Lot are set forth on the Plat. The Plat sets forth the Lot's Identifying Number.

8. Allocated Interests. The Common Expense Liability and votes in the Association shall be allocated among the Owners as follows:

- (a) Allocation of Common Expenses. Each Owner's share of all Common Expenses shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Lots within the Common Interest Community.
- (b) Votes. Each Owner shall be entitled to one (1) vote in the Association for each Lot owned.

9. Recording Data. All easements and licenses to which the Common Interest Community is presently subject are shown on the Plat. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to the terms of this Declaration.

ARTICLE IV. ASSOCIATION

1. Membership. Every Owner of a Lot shall be a Member of the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Ownership of a Lot shall be the sole qualification for membership in the Association. The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are as follows: (a) to operate the Common Interest Community; (b) to promote the health, safety, welfare, and common benefit of the residents of the Common Interest Community; and (c) to do any and all permitted acts, and to have and exercise any and all powers, rights, and privileges which are granted to a common interest community association under the Laws, this Declaration, and the Articles of Incorporation, Bylaws, Rules and Regulations, and other governing documents of the Association.

2. Voting Rights and Assignment of Votes. The effective date for assigning votes to Lots created pursuant to this Declaration shall be the date on which this Declaration is recorded in the County Clerk and Recorder's records. Votes in the Association shall be allocated on the basis of one (1) vote for each Lot.

3. Authority. The business and affairs of the Common Interest Community shall be managed by the Association. The Association shall be governed by the Laws, this Declaration and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association, as amended from time to time.

4. Powers. The Association shall have all of the powers and authority permitted pursuant to the Laws necessary and proper to manage the business and affairs of the Common Interest Community.

5. Declarant Control. The Declarant, or any Person designated by the Declarant, may appoint and remove the officers and members of the Board of the Association for a period of twenty (20) years after this Declaration is recorded in the County Clerk and Recorder's office. The period of Declarant control as herein set forth in subject to the following limitations:

- (a) No later than sixty (60) days after the disposition of twenty-five percent (25%) of the Lots that may be included within the Common Interest Community to Purchasers, at least one (1) member and not less than twenty-five percent (25%) of the Members of the Board shall be elected by Owners other than the Declarant.
- (b) Not later than sixty (60) days after the disposition of fifty percent (50%) of the Lots that may be included within the Common Interest Community to Purchasers, not less than thirty-three and one-third percent (33-1/3%) of the Members of the Board shall be elected by Owners other than the Declarant.
- (c) Regardless of the period of Declarant control hereinabove set forth, the period of Declarant control shall terminate no later than either sixty (60) days after the disposition of seventy-five percent (75%) or more of the Lots that may be included within the Common Interest Community to a Purchaser, two (2) years after the last disposition of a Lot by the Declarant in the ordinary course of business, or two (2) years after the Declarant's right to add portions of the Development Property to the Common Interest Community was last exercised, whichever date first occurs.
- (d) No later than the termination of any period of Declarant control, the Owners shall elect a Board of at least three (3) members, at least the majority of whom must be Owners, other than the Declarant.
- (e) The Declarant may voluntarily surrender the right to appoint and remove the officers and members of the Board before termination of the period of Declarant control, but in such event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

6. Board Powers and Duties. The Board may act in all instances on behalf of the Association. The Board shall have, subject to the limitations contained in this Declaration and the Laws, the powers and duties necessary for the administration of the affairs of the Association

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and of the Common Interest Community, which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws.
- (b) Adopt and amend Rules and Regulations.
- (c) Adopt and amend budgets for revenues, expenditures, and reserves.
- (d) Collect Common Expense assessments from Lot Owners.
- (e) Hire and discharge a bookkeeper as an employer or independent contractor.
- (f) Hire and discharge attorneys, accountants and other professionals.
- (g) Institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Documents in the Association's name, on behalf of the Association, or any two (2) or more Lot Owners, on any matters affecting the Common Interest Community.
- (h) Make contracts and incur liabilities.
- (i) Impose a reasonable charge for late payment of assessments and levy a reasonable fine for violation of the documents.
- (j) Impose a reasonable charge for the preparation and recordation of supplements or amendments to this Declaration and for statements of unpaid assessments.
- (k) Provide for the indemnification of the Association's officers and the Board and maintain directors' and officers' liability insurance.
- (l) Assign the Association's right to future income, including the right to receive Common Expense Assessments, but only upon the affirmative vote of a majority of Members of the Association present in person or by proxy at a meeting called for such purpose at which a quorum is present and acting throughout.
- (m) Exercise any other powers conferred by the Documents or the Laws.
- (n) By resolution, establish permanent and standing committees of Board members to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees established by the Board must maintain and publish notice of their actions to Lot Owners and the Board. Actions taken by any committee established

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by the Board may be appealed to the Board by any Lot Owner within forty-five (45) days of publication of a notice of the actions of the committee. If an appeal is made, the committee's action shall be ratified, modified, or rejected by the Board at its next regular meeting.

7. Board Limitations. The Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community, or to elect members of the Board or determine their qualifications, powers, and duties or terms of office of Board members, but the Board may fill vacancies in its membership for the unexpired portion of any term.

8. Indemnification. To the fullest extent permitted by Law, each officer and member of the Board of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party or in which they may become involved by reason of their being or having been an officer or member of the Board of the Association, or any settlement thereof, whether or not they are an officer or a member of the Board of the Association at the time such expenses are incurred, except in such cases where such officer or member of the Board is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE V. SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

1. Special Declarant Rights. Declarant reserves the right for a period of twenty (20) years after this Declaration is recorded in the County Clerk and Recorder's office, to perform the acts and exercise the rights hereinafter specified ("the Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

- (a) Completion of Improvements. The right to complete improvements indicated on the Plat.
- (b) Sales Management and Marketing. The right to maintain one sign advertising the Common Interest Community and model Buildings. The Declarant shall have the right to determine the number of model Buildings and the size and location of the sales office, management office, and model Buildings. The Declarant shall also have the right to relocate the sales office, management office, and model Buildings from time to time, at the Declarant's discretion. After the Declarant ceases to be the Owner of a Lot, the Declarant shall have the right to remove any sales office or management office from the Common Interest Community.

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- (c) Construction Easements. The right to use easements within the Common Interest Community for the purpose of making improvements within the Common Interest Community.
 - (d) Merger. The right to merge or consolidate the Common Interest Community with another common interest community of the same form of ownership.
 - (e) Control of Association and Board. The right to appoint or remove any officer of the Association or any Board member.
 - (f) Transfer of Rights. Any of the Special Declarant Rights created or reserved under this Article for the benefit of the Declarant may be transferred in whole or in part to any other Person or Persons by an instrument describing the rights transferred, signed by the Declarant, and transferee and recorded in the County Clerk and Recorder's office.

ARTICLE VI. RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS

1. Expansion Rights. Declarant reserves the right to subject all or any part of the Development Property to the provisions of this Declaration. The consent of the then-existing Lot Owners or Mortgagees shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation, at its sole option.

2. Withdrawal Rights. Declarant expressly reserves the right to withdraw all or any portion of the Real Estate and, if submitted to this Declaration, the Development Property from the Common Interest Community by recording a document evidencing such withdrawal in the County Clerk and Recorder's office. The Real Estate or Development Property withdrawn from the Common Interest Community shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Common Interest Community. Declarant shall prepare and record in the County Clerk and Recorder's office whatever documents are necessary to evidence such easements.

3. Amendment of the Declaration. If Declarant elects to submit the Development Property, or any part thereof, to this Declaration, Declarant shall record an amendment to the Declaration containing a legal description of the Development Property, or portion thereof to be submitted to this Declaration, and reallocating the Allocated Interests so that the Allocated Interests appurtenant to each Lot will be apportioned according to the total number of Lots submitted to the Declaration. The Allocated Interests appurtenant to each Lot in the Common Interest Community, as expanded, shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Lots within the Common Interest Community, as expanded. The amendment may contain additional covenants, conditions, and

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restrictions applicable only to the Lots and/or Common Elements contained within the Development Property added to the Real Estate by such amendment.

4. Plat. Declarant shall, contemporaneously with the amendment of this Declaration, file a Plat showing the Development Property or portion thereof to be submitted to this Declaration and the Lots and Common Elements created within the Development Property or portion thereof to be submitted to this Declaration.

5. Interpretation. Recording of amendments to this Declaration in the County Clerk and Recorder's office shall automatically (a) vest in each existing Lot Owner the reallocated Allocated Interests appurtenant to each Owner's Lot; and (b) vest in each existing Mortgagee a perfected Security Interest in the reallocated Allocated Interests appurtenant to the encumbered Lot. Upon the recording of an amendment to this Declaration, the definitions in this Declaration shall automatically be extended to encompass and to refer to the Real Estate as expanded. The Development Property, or any part thereof, shall be added to and become a part of the Real Estate for all purposes. All conveyances of Lots after such expansion shall be effective to transfer rights in all Common Elements as expanded, whether or not reference is made in any amendment to this Declaration, subject to any restrictions on the use of the Common Elements as set forth in the amendment to this Declaration adding the Development Property, or any part thereof, to the Real Estate. Reference to this Declaration in any instrument shall be deemed to include all amendments to this Declaration without specific reference thereto.

6. Maximum Number of Lots. The maximum number of Lots in the Common Interest Community, as expanded, shall not exceed the number set forth in Article III, Section 6, above. Declarant shall not be obligated to expand the Common Interest Community beyond the number of Lots initially submitted to this Declaration.

7. Construction Easement. Declarant expressly reserves the right to perform construction work, store materials on Common Elements; and the future right to control such work and the right of access thereto until its completion. All work may be performed by Declarant without the Consent or Approval of any Lot Owner or Mortgagee. Declarant reserves such easements through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easements include the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Real Estate for the purpose of furnishing utility and other services to the Development Property. Declarant's reserved construction easement includes the right to grant easements to any Governmental Authority and to convey improvements within those easements.

8. Reciprocal Easements. If all or any part of the Real Estate or, if submitted to this Declaration, the Development Property is withdrawn from the Common Interest Community ("the Withdrawn Property"): (a) the Lot Owner(s) of the Withdrawn Property shall have

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whatever easements are necessary or desirable, if any, for access, utility service, repair maintenance, and emergencies over and across the Common Interest Community; and (b) the Lot Owner(s) in the Common Interest Community shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance, and emergencies over and across the Withdrawn Property. Declarant shall prepare and record in the County Clerk and Recorder's office, whatever documents are necessary to evidence such easements. Such recorded easement(s) shall specify that the Lot Owners of the Withdrawn Property and the Lot Owners of the Common Interest Community shall be obligated to pay a proportionate share of the cost of the Operation and Maintenance of any easements entitled to either one of them on the other's property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of an easement pursuant to this Section shall conclusively determine the existence, location, and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section.

9. Termination and Expansion of Development Rights. The expansion and development rights reserved to Declarant, for itself and its successors and assigns, shall expire twenty (20) years from the date of recording this Declaration in the County Clerk and Recorder's office, unless the expansion and development rights are (a) extended as allowed by Law or (b) reinstated or extended by the Association.

10. Transfer of Expansion and Development Rights. Any expansion, development, or withdrawal right created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in the County Clerk and Recorder's office. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE VII. ASSESSMENT FOR COMMON EXPENSES

1. Personal Obligation of Owners for Common Expenses. The Declarant, for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Common Expense assessments imposed by the Association to meet the estimated Common Expenses.

2. Purpose of Assessment. The Common Expense assessments levied by the Association against all Lots shall be used to pay the costs of administering the Association.

3. Amount of Assessment. The amount of the assessment for the estimated Common Expenses which shall be paid by each Owner shall be determined by dividing the aggregate sum the Association reasonably determines to be paid by all Owners by the total number of Lots within the Common Interest Community, and the Owner of each Lot shall pay his or her proportionate share of such aggregate sum.

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4. Maximum Annual Assessment. Until January 1 of the year immediately following the date of commencement of annual assessments, the maximum annual assessment for Common Expenses shall be \$100.00 Dollars (\$100.00) per Lot maximum.

- (a) From and after January 1 of the year immediately following the date of commencement of annual assessments, the maximum annual assessment for General Common Expenses may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index for the Denver/Boulder region (published by the Department of Labor, Washington, D.C.) for the preceding month of July.
- (b) From and after January 1 of the year immediately following the date of commencement of annual assessments, the maximum annual assessment for General Common Expenses may be increased above that established by the Consumer Price Index formula by a vote of the Owners for the next succeeding two (2) years, and at the end of each such period of two (2) years, for each succeeding period of two (2) years, **provided that** any such change shall have the assent of two-thirds (2/3) of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association participates.
- (c) The Board may fix the annual assessment at an amount not in excess of the maximum.

5. Notice and Quorum for Any Action Authorized Under Sections 4. Notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be given to all Owners not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast sixty percent (60%) of all the votes of the Owners shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

6. Uniform Rate of Assessment. Annual assessments for Common Expenses shall be fixed at a uniform rate for all Lots and shall be collected on a monthly quarterly, semi-annual or annual basis.

7. Date of Commencement of Annual Assessments; Due Dates. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner

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subject hereto. Omission or failure to fix an assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification, or release of a Lot Owner from his or her obligation to pay the same.

8. Record of Receipts and Expenditures. The Association shall keep detailed and accurate records in chronological order of all of its receipts and expenditures, specifying and itemizing the expenses incurred. Such records shall be available on request for examination by the Lot Owners and others with an interest, such as prospective lenders.

9. Notice to Security Interest. Upon the request of a holder of a First Security Interest on a Lot, and upon payment of reasonable compensation therefor, the Association shall report to such party any unpaid assessments or other defaults under the terms of this Declaration which are not cured by the Lot Owner within sixty (60) days after written notice of default given by the Association to the Lot Owner.

10. Certificate of Status of Assessments. The Association, upon written request to the Association and upon payment of a reasonable fee, shall furnish to a Lot Owner or such Lot Owner's designee, to a holder of a Security Interest or its designee, or to a closing agent handling the closing of the sale or financing of the Owner's Lot a statement, in recordable form, setting out the amount of the unpaid Common Expense assessments against the Lot. Each Owner expressly authorizes the Association to provide such statement upon request. The statement shall be furnished within fourteen (14) business days after receipt of the request and is binding on the Association, the Board, and each Lot Owner as of the date of its issuance.

11. Common Expenses Attributable to Fewer Than All Lots. Fees, charges, taxes, impositions, late charges, fines, collection costs, and interest charged against a Lot Owner for nonpayment of assessments or violation of the Documents are enforceable as Common Expense assessments only against such Owner and such Owner's Lot.

ARTICLE VIII. LIEN FOR NONPAYMENT OF COMMON EXPENSES

Any assessment, charge, or fee provided for in this Declaration or any monthly or other installment thereof which is not fully paid within ten (10) days after the date due shall bear interest at a rate determined by the Board. In addition, the Board may assess a late charge thereon. Any Owner who fails to pay any assessment, charge, or fee of the Association shall also be obligated to pay to the Association, on demand, all costs and expenses incurred by the Association, including reasonable attorney's fees, in attempting to collect the delinquent amount. The total amount due to the Association, including unpaid assessments, fees, charges, fines, interest, late payment penalties, costs, and attorney's fees, shall constitute a lien on the defaulting Owner's Lot as provided in the Act. The Association may bring an action, at law or in equity, or both, against any Owner personally obligated to pay any amount due to the Association or any monthly or other installment thereof and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against a delinquent Owner to

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recover a money judgment for unpaid amounts due to the Association or monthly or other installments thereof may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien. The Association's lien shall be superior to any homestead exemption now existing or hereafter created by any state or federal law.

ARTICLE IX. MORTGAGEE PROTECTION

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

1. Notice of Actions. The Association shall give notice to each Mortgagee and Insurer of (and each Lot Owner hereby consents to and authorizes such notice):

- (a) Any delinquency in the payment of Common Expense assessments owed by a Lot Owner whose Lot is subject to a First Security Interest held, insured, or guaranteed by such Mortgagee or Insurer, as applicable, which remains uncured for a period of sixty (60) days.
- (b) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond when required by a Mortgagee to be maintained by the Association.
- (c) Any proposed action which would require the consent of a specified percentage of Mortgagees as specified in Section 3 of this Article.
- (d) Any judgment rendered against the Association.

2. Consent and Notice Required.

- (a) Document Changes. Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any provision of this Declaration pertaining to the matters hereinafter listed by the Association or Lot Owners shall be effective without notice to the Mortgagees and Insurers and the vote of at least sixty-seven percent (67%) of the Lot Owners (or any greater Lot Owner vote required in this Declaration or the Act) and until approved by at least fifty-one percent (51%) of the Mortgagees as defined in Article II (or any greater Mortgagee approval required by this Declaration):
 - 1) Voting rights.
 - 2) Assessments, assessment liens, priority of assessment liens.

- 3) Redefinitions of boundaries of Lots, except that when boundaries of only adjoining Lots are involved or a Lot is being subdivided, then only those Lot Owners and the Mortgagees holding Security Interests in such Lot or Lots must approve such action.
- 4) Convertibility of Lots into Common Elements.
- 5) Expansion or contraction of the Common Interest Community or the addition, annexation, or withdrawal of property to or from the Common Interest Community, except as permitted in Article VI.
- 6) Insurance or fidelity bonds.
- 7) Leasing of Lots.
- 8) Imposition of any restrictions on a Lot Owner's right to sell or transfer his or her Lot.
- 9) Any provision that expressly benefits mortgage holders, insurers, or guarantors.
- (b) Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to the Declarant as Special Declarant Rights, Additional Reserved Rights, and Expansion and Development Rights set forth in Articles V and VI of this Declaration, without the notice to Mortgagees and Insurers (as defined in Article II) as required by Section 2 above and approval of at least fifty-one percent (51%) (or the indicated percentage) of the Mortgagees:
- 1) The merger of the Common Interest Community with any other common interest community.
 - 2) The assignment of the future income of the Association, including its right to receive Common Expense assessments.
- (c) Failure to Object. The failure of a Mortgagee or Insurer (as defined in Article II) to object in writing to any proposed addition or amendment within thirty (30) days after notice is given by the Association requesting approval of an addition or amendment to the Declaration shall conclusively constitute approval by the Mortgagee or Insurer of the addition or amendment.

3. Inspection of Books. The Association shall maintain current copies of the Documents, books and records, and financial statements. The Association shall permit any Mortgagee or Insurer to inspect the books and records of the Association during normal business hours.

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4. Financial Statements. The Association shall provide any Mortgagee or Insurer who submits a written request a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association.

5. Enforcement. The provisions of this Article are for the sole benefit of Mortgages and Insurers and their successors and may be enforced by any of them by any available means at law or in equity. The provisions of this Article may not be enforced by any other Person, including, but not limited to an Owner.

6. Attendance at Meetings. Any representative of a Mortgagee or Insurer may attend and address any meeting which an Owner may attend.

7. Appointment of Trustee. In the event of damage, destruction, or condemnation of all or a portion of the Common Elements, any Mortgagee may require that such proceeds be payable to a trustee. Such trustee may be required to be a corporate trustee licensed by the State of Colorado. Proceeds will thereafter be distributed pursuant to the Act or pursuant to a condemnation award. Unless otherwise required, the members of the Board, acting by majority vote, may act as trustee through the President of the Association.

8. Payment of Delinquent Fees. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Elements and may pay overdue premiums on insurance policies to be maintained by the Association, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE X. DRAINAGE

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

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

3. Water Flow. The Owner of a Lot shall not impede or hinder in any way the water falling on the Lot from reaching the drainage courses established for the Lot and the Common Interest Community.

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

- (a) Not to install improvements, including, but not limited to, Landscaping, items related to Landscaping, walls, walks, driveways, parking pads, patios, fences, additions to the Building, outbuildings, or any other item or improvement which will change the grading of the Lot as shown on the grading plans approved by the Town.
- (b) To fill with additional soil any back-filled areas adjacent to the foundation of the Building and in or about the utility trenches on the Lot in which settling occurs to the extent necessary from time to time to maintain the grading and drainage patterns of the Lot.
- (c) Not to water the lawn or other Landscaping on the Lot excessively.
- (d) Not to plant flower beds (especially annuals) and vegetable gardens adjacent to or within three (3) feet of the foundation and slabs of the Building.
- (e) If evergreen shrubbery and grass is used within five (5) feet of the foundation walls, to water the shrubbery and grass by controlled hand watering and to avoid excessive watering.
- (f) To minimize or eliminate the installation of piping and heads for sprinkler systems within five (5) feet of foundation walls and slabs.
- (g) To install any gravel beds in a manner which will assure that water will not pond in the gravel areas, whether due to nonperforated edging or due to installation of the base of the gravel bed at a level lower than the adjacent lawn.
- (h) To maintain the gutters and downspouts which discharge water into extensions or splash blocks by assuring that (i) the gutters and downspouts remain free and clear of all obstructions and debris; (ii) the water that flows from the extension or the splash block is allowed to flow rapidly away from the foundation and/or slabs; and (iii) the splash blocks are maintained under sill cocks.
- (i) To recaulk construction joints opening up between portions of the exterior slabs and garage slabs in order to thereby seal out moisture.

5. Disclaimer. The Declarant shall not be liable for any loss or damage to the Building, any outbuilding, concrete slab, driveway, sidewalk, or other improvement on any Lot caused by, resulting from, or in any way connected with soil conditions on any Lot.

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ARTICLE XI. ARCHITECTURAL CONTROL

1. Architectural Control Committee.

- (a) Membership. The members of the Architectural Control Committee shall be appointed by the Declarant. At such time as the Declarant is no longer the Owner of one or more Lots within the Common Interest Community, then the members of the Architectural Control Committee shall be appointed by the Board from among the Owners of Lots.
- (b) Purpose. The Architectural Control Committee shall be established for the purpose of maintaining within a particular area of the Common Interest Community a consistent and harmonious general character of development and a style and nature of building design and visual appeal consistent with the natural beauty and features of that particular area of the Common Interest Community.
- (c) Term. Each member of an Architectural Control Committee shall serve at the pleasure of the person or entity appointing such member. In the event of the death or resignation of any member of an Architectural Control Committee, the person or entity that appointed such member shall appoint a successor.
- (d) Decisions. All decisions of the Architectural Control Committee shall be by a majority vote of those members of the Committee present at a meeting at which a quorum is present. A majority of the members of the Architectural Control Committee shall constitute a quorum.
- (e) Compensation. The members of the Architectural Control Committee shall not be entitled to any compensation for services performed pursuant to this Declaration but shall be entitled to reimbursement by the Association for all costs and expenses incurred in performing their duties pursuant to this Declaration.
- (f) Delegation. The Architectural Control Committee shall have the power to delegate the responsibility for reviewing any application submitted to the Architectural Control Committee to a professional architect, landscape architect, engineer, or other professional person who is qualified to pass on the issues raised in the application. The Architectural Control Committee shall also have the power to require that the applicant pay the fees reasonably incurred by the Architectural Control Committee in retaining such professional to review the application submitted.
- (g) Nonliability. No member of the Architectural Control Committee shall be liable to the Association or to any Owner or prospective Owner for any loss, damage, or

injury arising out of or in connection with the performance of the duties of the Architectural Control Committee under this Declaration, unless such action constitutes willful misconduct or bad faith on the part of the Architectural Control Committee. Review and consideration of any application submitted to an Architectural Control Committee shall be pursuant to this Declaration, and any approval granted shall not be considered approval of the structural safety or integrity of the improvements to be constructed or conformance of such improvements with any Law applicable to the Common Interest Community.

2. Control. No construction, alteration, addition, modification, exterior decoration, exterior redecoration, or reconstruction of any building, fence, wall, structure, Landscaping, or other improvement within the Common Interest Community shall be commenced or maintained until the plans and specifications thereof shall have been approved by the Architectural Control Committee.

3. Rules and Guidelines. The Architectural Control Committee shall issue rules setting forth procedures for the submission of plans for approval and shall also issue guidelines setting forth the criteria that the Architectural Control Committee will use in considering plans submitted to it for approval. The Rules and Guidelines may be amended from time to time by the Architectural Control Committee. The Guidelines may include by example and not by limitation, rules and regulations governing the following:

- (a) Standards establishing and dictating an architectural theme and requirements pertaining to building type, style, architectural design, location, orientation, and site planning;
- (b) Procedures for making application to the Architectural Control Committee for design review approval, including the documents to be submitted and the time limits in which the Architectural Control Committee must act to approve or disapprove any submission;
- (c) Time limitations for the completion, within specified periods after approval, of the improvements for which approval is required under the Architectural Guidelines;
- (d) Designation of a building site on a Lot, establishing the maximum developable area of a Lot and set-back or view corridor requirements;
- (e) Minimum and maximum square foot areas of living space that may be developed on any Lot;
- (f) Building size, type, height, design, orientation, location, and number of outbuildings, accessory buildings, and storage sheds;

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- (g) Experience and reputation of the contractor and major subcontractor;
 - (h) Construction methods and timetables;
 - (i) Fence regulations, including requirements that a fence be installed by the Lot Owner; the materials, color, design, style, height, and location of any fence; and maintenance of the fence;
 - (j) signs, clotheslines, antennae, satellite dishes, and play structures;
 - (k) Storage tanks, containers, and exterior mechanical equipment;
 - (l) Window style, design, size, material, location, and orientation;
 - (m) Solar energy devices;
 - (n) Outdoor ornamentation and seasonal decorations;
 - (o) Site drainage, grading, and water conservation;
 - (p) Paved areas, culverts, and driveways;
 - (q) House numbers and entry monuments;
 - (r) Exterior lighting;
 - (s) Specifications for the location, dimensions, and appearance or screening of any accessory structures, antennae or other such improvements;
 - (t) Garage size, type, height, design, orientation, and location;
 - (u) Roof materials, color, overhang, and pitch;
 - (v) Siding style, type, material, design, and color;
 - (w) Quality, durability, aesthetic appeal, compatibility, and longevity of building materials;
 - (x) Regulations for parking vehicles off the street, within an enclosed garage or a designated area on a Lot;

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- (y) General instructions for the construction, reconstruction, refinishing or alteration of any improvement, including any plan to evacuate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Lot, addressing matters such as loading areas, waster storage, trash removal, equipment and materials storage, grading, transformers and meters;
- (z) Minimum setbacks from Lot lines;
- (aa) Designation of front, rear, or side-entry garages;
- (bb) Restrictions on driveways providing direct access to traffic circles; and
- (cc) Landscaping regulations, including requirements for installing and maintaining Landscaping on the entire Lot and in certain areas identified in the Architectural Guidelines, on parkways abutting the Lot and the street or road providing access to the Lot; time limitations within which all Landscaping must be completed; limitations and restrictions prohibiting the removal or requiring the replacement of existing trees; requirements for the use of drought hardy plants indigenous to the locale and compatible with the design theme in questions; and other practices benefiting the conservation of water, protection of the environment, aesthetics and architectural harmony of the Common Interest Community.

4. Review of Plans and Specifications. The Architectural Control Committee shall consider and act upon any and all requests submitted for its approval. The Architectural Control Committee shall approve plans and specifications submitted to it only if it determines that the construction, alteration, additions, or Landscaping contemplated thereby, and in the location as indicated, will comply with this Declaration and all applicable Architectural Guidelines, will serve to preserve and enhance the values of Lots within the Common Interest Community and will maintain a harmonious relationship among structures, vegetation, topography, and the overall development within that particular area of the Common Interest Community. The Architectural Control Committee shall consider the quality of workmanship, type of materials, and harmony of exterior design with other Dwellings located within that particular area of the Common Interest Community. Approval by the Architectural Control Committee shall be in writing or by endorsement on the plans. The issuance of a building permit or license for the construction of improvements inconsistent with this Declaration shall not prevent the Association or any Owner from enforcing the provisions of this Declaration.

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5. Enforcement.

- (1) Inspection. Any member or authorized consultant of the Architectural Control Committee, or any authorized officer, Director, employee or agent of the Association may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect improvements constructed or under construction on the Lot to determine whether the improvements have been or are being built in compliance with the Documents and the Plans and Specifications approved by the Architectural Control Committee.
- (2) Construction and Certificate of Compliance. All improvements constructed upon a Lot shall be constructed in strict accordance with the plans approved by the Architectural Control Committee. Upon written request of any Owner or his agent, an existing or prospective Mortgagee, or a prospective grantee, and upon payment of a reasonable fee established from time-to-time by the Architectural Control Committee, the Architectural Control Committee shall issue a certificate setting forth generally whether, to the best of the Architectural Control Committee's knowledge, the improvements on a particular Lot are in compliance with the terms and conditions of the Architectural Guidelines.
- (3) Condition of Lot Prior to and During Construction. Prior to and during construction of any Dwelling on a Lot, the Lot Owner (other than Declarant) shall cut weeds and install grass or other suitable groundcover as may be first approved by the governing Architectural Control Committee to eliminate blowing dirt, weeds, and unsightly appearances on the Lot. If such Owner fails to do so, the Board may impose fines and penalties pursuant to the schedule of fines and penalties adopted by the Board from time-to-time.

6. Appeal. If any Owner is dissatisfied with the decision of the Architectural Control Committee to approve or deny any application submitted to it, such Owner may appeal the decision to the Board by giving written notice of appeal to the Board, the Architectural Control Committee and the applicant (if other than the appellant). The notice shall be given within ten (10) days after the decision of the Architectural Control Committee. The Board shall hear and consider the appeal at its next regular meeting following the date notice of appeal is given. The appellant, the applicant (if other than the appellant), and the Architectural Control Committee may have a representative present at the hearing, and shall have the right to present such evidence as may be relevant to the appeal. The Board shall give notice of its decision within ten (10) days after the conclusion of the hearing. If the Architectural Control Committee, the applicant or the appellant is dissatisfied with the decision of the Board, such person or entity may appeal the decision to the Owners. Notice of appeal to the Owners shall be given to the Board, the applicant, the appellant (if other than the applicant) and the Architectural Control Committee within ten (10) days of the Board's decision. The Board shall schedule and give notice of a special meeting of the Owners to consider the appeal,

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which meeting shall be held not less than ten (10) nor more than sixty (60) days following the date that notice of appeal is given to the Board. If a decision of the Architectural Control Committee is appealed to the Board, the decision shall be affirmed unless a majority of all directors then in office (regardless of the number of directors actually present at the meeting) vote to overturn the decision of the Architectural Control Committee. If the decision of the Board is appealed to the Owners, the decision of the Board shall be affirmed unless a majority of all Owners (regardless of the number of Owners actually present at the special meeting called for the purpose of considering the appeal) vote to overturn the Board's decision.

7. No Waiver of Future Approval. The approval by the Architectural Control Committee of any proposal or plans and specifications for any work to be done on a Lot shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar proposals, plans, specifications, drawings, or other matter subsequently or additionally submitted for approval by the same Owner or by another Owner.

8. Damage or Destruction of Improvements. In the event any Building or other structure constructed on a Lot is damaged, either in whole or in part, by fire or other casualty, said Building or other structure shall be promptly rebuilt or remodeled to comply with this Declaration; or in the alternative, if the Building or other structure is not to be rebuilt, all remaining portions of the damaged structure, including the foundation and all debris, shall be promptly removed from the Lot, and the Lot shall be restored to its natural condition existing prior to the construction of the Building or other structure.

ARTICLE XII. USE RESTRICTIONS

1. Land Use. Except as otherwise permitted by this Declaration, Lots within the Common Interest Community shall be used for Single Family Residential Use only. No building or other structure shall be erected, altered, placed, or permitted to remain on any Lot other than one Single-Family Dwelling for Residential Use, subject to approval by the Architectural Control Committee, and such additional improvements as may be approved by the Architectural Control Committee, pursuant to the terms of Article XI hereinabove.

2. No Hazardous Activities. No activities shall be conducted within the Common Interest Community which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no open fires shall be lighted or permitted except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace. Barbecue units shall not be used within ten (10) feet of any Building.

3. Vehicle Repair. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any vehicles, trailers, or boats, may be performed on any Lot unless it is done within a completely enclosed garage which screens the

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sight and sound of the activity from the street and from adjoining Lots, nor shall any such activity be performed on the Common Elements. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, or motor-driven cycle together with those activities normally incident and necessary to such washing and polishing.

4. Signs. No sign of any character shall be displayed or placed upon any Lot, with the following exceptions:

- (a) One (1) sign per Lot of not more than six (6) square feet in total area advertising a Lot for sale shall be permitted on any Lot.
- (b) The Declarant or the Association shall have the right to place a permanent sign and landscaping at each entrance to each phase of the Common Interest Community identifying that phase of the Common Interest Community.
- (c) Until such time as the Declarant is no longer the Owner of a Lot, the Declarant or its agents shall have the right to place one or more signs on the Common Interest Community, without limitation of size, offering Lots within the Common Interest Community for sale.
- (d) Additional signs may be permitted if approved by the Board.

5. Antennae. No antennae or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, including, by example and not limitation, satellite dishes in excess of 18 inches in diameter, shall be erected, used, or maintained outdoors on any Lot, whether attached to a Building or structure or otherwise, unless approved by the Board. Antennae may be located in the attic space. Satellite dishes over eighteen (18) inches are not allowed; no satellite dishes on front elevations will be permitted.

6. Occupancy of Dwelling. In addition to any other restrictions imposed upon Lot Owners by any Law of any Governmental Authority, with regard to the completion of a Dwelling and notwithstanding the issuance of a temporary or permanent certificate of occupancy for the Dwelling by the appropriate Governmental Authority, no Dwelling shall be occupied until all buildings, fences, walls, structures, and other improvements as are set forth in the plans and specifications submitted to and approved by the Architectural Control Committee shall first be constructed and installed, including, but not limited to, the rough grading of the Lot and the installation of driveways and sidewalks thereon.

7. Home Occupations. The conduct of a home occupation within a Dwelling on a Lot shall be considered accessory to the Residential Use and shall not be deemed a violation of this Declaration, provided that the following requirements are met:

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- (1) Such home occupation shall be conducted only within the interior of the Dwelling and shall not occupy more than twenty-five percent (25%) of the floor area within the Dwelling;
- (2) The home occupation shall be conducted only by residents of the Dwelling and no non-residents shall be employed in connection with the home occupation carried on in the Dwelling;
- (3) No retail sales shall be conducted upon a Lot;
- (4) Only those home occupations which require no visits from customers and no parking at or near the Dwelling in connection with such occupation shall be allowed;
- (5) There shall be no evidence of a home occupation visible from the outside of the Dwelling;
- (6) The conduct of such home occupation must be permitted under the zoning ordinances of the Town.

8. Storage Tanks and Containers. No elevated tanks of any kind shall be erected, placed, or permitted to remain on any Lot unless such tanks are screened from view from other Lots and from the Streets by fencing or Landscaping in a manner approved by the Architectural Control Committee. All air-conditioning, refrigeration, cooling, heating, or other mechanical equipment or system which is located outside of a Dwelling, including but not limited to, window air-conditioning units and swamp coolers, shall be screened from view from other Lots and from the Streets by fencing or Landscaping approved by the Architectural Control Committee.

9. Restrictions on Leasing. No Lot Owner shall lease his or her Dwelling to any group of people other than a "Single Family" as defined in Article II hereinabove. All such leases shall be in writing and shall provide that the tenant shall comply in all respects with the provisions of the Documents, and that any failure by the tenant to comply with the terms and provisions of the Documents shall be a default under the lease. The Board may require information forms to be completed and security deposits to be made by tenants. A copy of any lease shall be provided upon request to the Board, which may require the insertion of particular provisions. After notice and an opportunity for hearing, the Board may require an Owner to evict any tenant who has violated any provision of the Documents. No lease shall be permitted for a term less than month-to-month. No time-sharing or such other forms of interval ownership shall be permitted.

10. Insurance. Nothing shall be done or kept on any Lot which would increase the premiums for insurance or result in the cancellation of any insurance maintained by the Association.

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11. Discharge of Weapons. No person shall discharge, fire, or shoot any gun, pistol, rifle, shotgun, crossbow, bow and arrow, slingshot, spud-gun, paint gun, BB gun, pellet gun, stun gun, or other firearm or weapon of any kind within the Common Interest Community. Notwithstanding the foregoing, the discharge of firearms or weapons by any person acting in self defense as permitted by C.R.S. Section 18-1-704 or by any member of any law enforcement agency in the course of such member's official duty shall not be deemed a violation of this provision.

12. Mineral Extraction. No mining or extraction of oil, gas, gravel, or other minerals shall be permitted on any Lot.

13. Resubdivision. No Lot may be further subdivided without the approval of the Board. This provision shall not be construed to prohibit or prevent the dedication or conveyance of any portion of a Lot as an easement for public utilities.

14. Animals.

A. Definitions. For purposes of this Section, the following terms shall have the meanings given:

- (1) "Animal" shall mean any live vertebrate creature, either domestic or wild, excluding fish.
- (2) "At Large" shall mean outside of a fence or other enclosure which restrains the Animal to a Lot, unless under the control by leash or lead of the keeper. Animals tethered to a stationary object within reach of a Street, Common Element, or other common access point shall be considered "at large".
- (3) "Keeper" shall mean a person who is the owner of an Animal. Keeper shall also mean any person who has custodial or supervisory authority or control over an Animal.
- (4) "Leash" shall mean a cord, rope, chain, or similar device which holds an Animal in restraint.
- (5) "Pet" shall mean a dog or cat that has been bred and/or raised to live in or about the habitation of humans and is dependent upon humans for food and shelter and such other household Animals as may be designated by the Board.
- (6) "Restraint" shall mean: (a) Secured by leash under the physical control of a responsible person; (b) tethered to a stationary object not within reach of a Street, Common Element, or other public access; or (c) within a fenced or other enclosed area limiting the Animal to a Lot.

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- (7) "Shelter" shall mean a structure or environment adequate to the species of Animal which provides protection from adverse weather conditions.
- B. Prohibition. No Animals other than Pet dogs or cats, or other Pets as determined by the Board, may be kept on any Lot. Without limiting the generality of the definition of "Animal", no snakes or other reptiles may be kept within the Common Interest Community.
- C. Commercial Purposes. No Animal shall be boarded, kept, bred, or maintained on any Lot for commercial purposes.
- D. Number. No more than two (3) adult Pet dogs; no more than three (3) adult Pet cats; and no more than a total of four (4) adult Pet Animals may be kept on any Lot. (For example, two Pet dogs and two Pet cats; or three Pet cats and one Pet dog.) Pet Animals shall not be considered adults until they are six (6) months old.
- E. Rabies Vaccinations. The Association shall have the right, but not the obligation, to require that the Owners of all Pet Animals provide to the Board evidence of current vaccination against rabies.
- F. Improper Care or Treatment. No Owner or Keeper of an Animal shall fail to provide that Animal with sufficient good and wholesome food and water, proper Shelter, protection from the weather, veterinary care, and such other care as is customary and necessary for the Animal's health and well-being, considering the species, breed, and type of Animal. No person shall beat, cruelly ill-treat, torment, overload, overwork, otherwise abuse, or needlessly kill an Animal, or cause, instigate, or permit any fight among Animals.
- G. Removal of Waste. The Owner or Keeper of any Animal shall be responsible for the immediate removal of any feces deposited by such Animal on any Lot or Common Element not owned or exclusively occupied by the Owner or Keeper of the Animal. The Owner or Keeper of any Animal shall also be responsible for the periodic removal of feces deposited by such Animal on such Owner's Lot.
- H. Animals at Large. All Animals within the Common Interest Community shall be kept under Restraint. No Owner or Keeper of an Animal shall permit such Animal to be At Large within the Common Interest Community. All female Animals in season shall be kept inside a Building or within a fenced area or other enclosure which limits the Animal to the Owner's Lot.

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- I. Disturbance of Peace. No Owner or Keeper of an Animal shall permit such Animal to disturb the peace and quiet of any person within the Common Interest Community by barking, whining, howling, yowling, squawking, or making any other noise in an excessive, continuous, or untimely fashion.
- J. Nuisance. The Owner or Keeper of an Animal shall exercise proper care and control of his or her Animal to prevent it from becoming a public nuisance. For purposes of this Section, a public nuisance includes an Animal which is a safety or health hazard, damages or destroys the property of another, or creates offensive noise or odors which materially interfere with or disrupt another person in the conduct of activities on such other person's Lot.
- K. Vicious Animals. No Person shall own or keep any vicious Animal within the Common Interest Community. A vicious Animal is one that has bitten or clawed any person or in a vicious or terrorizing manner, approaches any person in an apparent attitude of attack whether or not the attack is consummated or is capable of being consummated. No dog may be kept within the Common Interest Community that is a member of a reputedly vicious breed including by example and not limitation, American Staffordshire Terriers, also known as Pit Bulls; Rottweilers; Doberman Pinschers; and Presa Canarios.
- L. Defense. For purposes of this Section, it shall be a defense to a charge of owning or keeping a vicious Animal that the Person or Animal bitten or approached by the vicious Animal was:
 - (1) Attacking the Animal or engaging in conduct reasonably calculated to provoke the Animal to attack or bite;
 - (2) unlawfully engaging in entry into or upon a fenced or enclosed portion of the Lot upon which the Animal was kept or properly Restrained;
 - (3) unlawfully engaging in entry into or upon a vehicle in which the Animal was confined;
 - (4) attempting to assault the Animal or another Person;
 - (5) attempting to stop a fight between the Animal and any other Animal;
 - (6) attempting to aid the Animal when it was injured;
 - (7) attempting to capture the Animal in the absence of the Owner or Keeper; or

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(8) the Animal was acting in self defense, defense of its offspring, or defense of its Owner or Keeper.

M. Rules and Regulations. The Board shall have the right to adopt Rules and Regulations for the governing and/or restricting the keeping of Animals within the Common Interest Community, which Rules and Regulations may include, but shall not be limited to, restrictions and limitations on the size of Pet dogs.

15. General Prohibition. No use shall be made of an Owner's Lot which will in any manner violate any Law of any Governmental Authority having jurisdiction over the use of said Owner's Lot. Any violation of any Law shall also be a violation of this Declaration.

16. Maintenance of Lots and Improvements. Owners of Lots shall keep or cause to be kept all Buildings, fences, and other structures and all Landscaping located on their Lot in good repair. Rubbish, refuse, garbage, and other solid, semi-solid, and liquid waste shall be kept within sealed containers, shall not be allowed to accumulate on any Lot, and shall be disposed of in a sanitary manner. No Lot shall be used or maintained as a dumping ground for such materials. All containers shall be kept in a neat, clean, and sanitary condition and shall be stored inside a garage or other approved structure, except on trash collection days. No trash, litter, or junk shall be permitted to remain exposed upon any Lot and visible from adjacent streets or other Lots. Burning of trash on any Lot shall be prohibited. No lumber or other building materials shall be stored or permitted to remain on any Lot unless screened from view from other Lots and from the Streets, except for reasonable storage during construction.

17. Nuisance. Nothing shall be done or permitted on any Lot which is or may become a nuisance. No obnoxious or offensive activities or commercial businesses or trades shall be conducted on any Lot, except Home Occupations as hereinabove defined.

18. Temporary Structures. No structure of a temporary character, including, by example and not limitation, trailers, converted trailers, shacks, sheds, basements, tents, garages, or accessory buildings, shall be used on any Lot for Residential Use, temporarily or permanently.

19. Storage of Vehicles. Boats, campers, snowmobiles, all-terrain vehicles, trailers, machines, tractors, semi-tractors, tractor trailers, trucks (except standard pickup trucks), inoperative automobiles and vehicles owned by any Person who is not a Resident of the Common Interest Community shall not be stored, parked, or permitted to remain on any Street, Lot, or Common Element, except within fully-enclosed garages, for more than: (a) 24 consecutive hours; (b) a total of 48 hours within any 5 consecutive days; or (c) a total of 14 days during any 30 consecutive days.

20. Disturbing the Peace. No person shall disturb, tend to disturb, or aid in disturbing the peace of others by violent, tumultuous, offensive, disorderly, or obstreperous conduct, and no Owner shall knowingly permit such conduct upon any Lot owned by such Owner.

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ARTICLE XIII. GENERAL PROVISIONS

1. Deemed Nuisances. Every violation of this Declaration is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against an Owner shall be applicable. Without limiting the generality of the foregoing, this Declaration may be enforceable as provided below.

- (a) Fines for Violations. The Board may adopt a schedule of fines including, but not limited to, fines for failure to abide by the Architectural Guidelines, fines for failure to obtain any required approval from the Architectural Control Committee, fines for violating the restrictions applicable to Animals, and fines for violating the restrictions applicable to storage of vehicles.
- (b) Removal of Nonconforming Improvements. The Association shall have the right to obtain a court order to remove any improvement constructed, reconstructed, refinished, altered or maintained upon a Lot in violation of this Declaration.
- (c) Removal of Animals. The Association shall have the right, but not the obligation, to obtain a Court order requiring removal of any Animal being kept within the Common Interest Community in violation of this Declaration.
- (d) Removal of Vehicles. The Association shall have the right, but not the obligation, to have any vehicle parked in violation of this Declaration removed from the Common Interest Community at the expense of the owner of the vehicle. If the Owner of the vehicle is also the Owner of a Lot, the cost of removing the vehicle may be assessed against the Owner and Lot.

2. Enforcement. In addition to the foregoing remedies, enforcement of this Declaration may be by appropriate proceedings at law or in equity against those Persons or entities violating or attempting to violate any covenant, condition, or restriction herein contained. Such judicial proceeding shall be for the purpose of removing a violation, for restraining a future violation, for recovery of damages for any violation, or for such other and further relief as may be available. Such judicial proceedings may be prosecuted by an Owner or by the Association. In the event it becomes necessary to commence an action to enforce this Declaration, the court shall award to the party that substantially prevails in such litigation, in addition to such damages as the court may deem just and proper, an amount equal to the costs and reasonable attorney's fees incurred by the party that substantially prevails in such litigation. The failure to enforce or to cause the abatement of any violation of this Declaration shall not preclude or prevent the enforcement thereof or of a further or continued violation, whether such violation shall be of the same or of a different provision of this Declaration.

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3. Duration. This Declaration shall run with the land, shall be binding upon all Persons owning Lots and any Persons hereafter acquiring said Lots, and shall be in effect in perpetuity unless amended or terminated as provided in the Act.

4. Amendment. Except as otherwise provided in this Declaration, this Declaration may be altered or amended at any time by the then record Owners of sixty-seven percent (67%) or more of the Lots. Amendments shall be adopted as provided in Section 217 of the Act.

5. Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference and in no way define, limit, or prescribe the scope of the Documents or the intent of any provision thereof.

6. Gender. The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so requires.

7. Waiver. No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

8. Invalidity. The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability, or effect of the remainder, and if a provision is declared invalid by judgment of court order, all of the other provisions of the Documents shall continue in full force and effect.

9. Conflict. The Documents are intended to comply with the requirements of the Act. If there is any conflict between the Documents and the provisions of the Act, the provisions of the Act shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the day and year first above written.

HIGHLAND MEADOWS GOLF COURSE
LLC, a Colorado limited liability company

Hillside Commercial Group, Inc.,
a California corporation, its Manager

By: Jon A. Turner
Jon A. Turner, President

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Exhibit A
Legal Description
“the Real Estate”

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38/Block 1

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39/Block 2

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30/Block 3

Highland Meadows Golf Course Subdivision, Town of Windsor, County of Larimer,
State of Colorado.

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EXHIBIT B
Legal Description
“Development Property”

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38/Block 1

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39/Block 2

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30/Block 3

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42/Block 4

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9/Block 5

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27/Block 6

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21/Block 7

Lots 1, 2, 3, 4/Block 8

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16/Block 9

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25/Block 10

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21/Block 11

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74/Block 12

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27/Block 13

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45/Block 14

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18/Block 15

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12/Block 16

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9/Block 17

Lots 1, 2, 3, 4, 5, 6/Block 18

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EXHIBIT B
Legal Description continued
"Development Property"

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54/Block 19

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31/Block 20

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33/Block 21

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32/Block 22

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18/Block 23

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20/Block 24

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29/Block 25

Highland Meadows Golf Course Subdivision, Town of Windsor, County of Larimer, State of Colorado.