

DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR
THE MEADOWS AT ROLLING HILLS
(A Common Interest Community)



**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
THE MEADOWS AT ROLLING HILLS
(a Common Interest Community)**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE MEADOWS AT ROLLING HILLS is made and entered into this 1ST of OCTOBER, 2006 by the persons and entities who are signatories to this Declaration (“the Owners”).

-RECITALS

A. The Owners are the owners of that certain real property located in the Town of Laporte, County of Larimer, State of Colorado legally described on Exhibit “A” attached hereto and incorporated herein by reference (“the Real Estate”).

B. The Owners desire to create a Common Interest Community on the Real Estate, pursuant to the Colorado Common Ownership Act, Section 38-33.3-101, et seq., Colorado Revised Statutes, 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 Meadows at Rolling Hills (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 Owners hereby publish and declare 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 Owners hereby submit 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 In the event the Act is repealed, the Act on the date this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado, shall remain applicable.

ARTICLE 11. DEFINITIONS

Section 1: “Access Easement” shall mean and refer to an easement sixty (60)feet in width which provides access to each Lot and the Open Spaces from a public street, road, or highway, which easement is described and designated on the Plat as Tract B.

Section 2: “Allocated Interests” shall mean and refer to the Common Expense Liability and votes in the Association.

Section 3: “Approval” or “Consent” shall mean securing the prior written approval or consent as required herein before doing, making, or suffering that for which such approval or consent is required.

Section 4: “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 X of this Declaration.

Section 5: “Association” or “Lot Owners’ Association” shall mean and refer to S2CR Land and Development, LLC (a Colorado nonprofit corporation), its successors and assigns, organized and existing under the laws of the State of Colorado and specifically Section 38-33.3-301of the Act.

Section 6: “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.

Section 7: “Common Elements” shall mean and refer to any real estate or real property interests within the Common Interest Community owned by the Association, other than a Lot, and other assets of the Association.

Section 8: “Common Expense Liability” shall mean and refer to the liability for Common Expenses allocated to each Lot pursuant to this Declaration.

Section 9: “Common Expenses” shall mean and refer to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves. These expenses for the operation of the Common Interest Community include, but are not limited to:

- (a) Expenses of administering, maintaining, leasing, insuring, or replacing the Common Elements.
- (b) Expenses declared to be Common Expenses by the Declaration.
- (c) Expenses agreed upon as Common Expenses by the Association.
- (d) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement, or addition to the Common Elements or any other real or personal property acquired or held by the Association.

Section 10: “Common Interest Community” shall mean and refer to the Real Estate described on Exhibit “A” attached hereto and incorporated herein by reference, together with any and all Real Estate added to the Common Interest Community pursuant to Article V hereinafter.

Section 11: “Declarant” shall mean and refer to SC2R Land and Development, LLC, a Colorado corporation, or any other Person or group of Persons acting in concert who:

- (a) As a part of a common promotional plan, offer to dispose of to a Purchaser such Declarant’s interest in a Lot not previously disposed of to a Purchaser; or
- (b) Reserve or succeed to any Special Declarant Right.

Section 12: “Declaration” shall mean and refer to this Declaration, including my amendments hereto and also including, but not limited to, plats of the Real Estate recorded in the Clerk and Recorder’s office of Larimer County, Colorado.

Section 13: “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.

Section 14: “Documents” shall mean and refer to this Declaration, the Plat, and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association, as supplemented or amended from time to time.

Section 15: “Executive Board” shall mean and refer to the Executive Board of the Association.

Section 16: “Identifying Number” shall mean and refer to a symbol or address that identifies only one (1) Lot in the Common Interest Community.

Section 17: “Insurer” shall mean and refer to any governmental agency or authority that insures or guarantees a Mortgage and that has provided written notice of such interest to the Association.

Section 18: “Lot” shall mean and refer to a physical portion of the Common Interest Community which is designated for separate ownership or occupancy and the boundaries of which are described in or 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.

Section 19: “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 created in the Declaration 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.

Section 20: “Mortgagee” shall mean and refer to any Person who has a security interest in a Lot and who has provided written notice of such interest to the Association.

Section 21: “Open Spaces” shall mean and refer to the parcels of property designated as open space (Outlot A and Outlot B) on the Plat.

Section 22: “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.

Section 23: “Plat” shall mean and refer to the Plat of the Real Estate, designated as The Meadows at Rolling Hills, recorded in the office of the Clerk and Recorder of Larimer County, Colorado, and all recorded supplements and amendments thereto. Plat” shall include the Plats of any additional Real Estate added to the Common Interest Community pursuant to Article V hereinafter, which Plats may be designated as subsequently numbered phases of The Meadows at Rolling Hills.

Section 24: “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 forty (40) 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.

Section 25: “Real Estate” shall mean and refer to the Real Estate described on Exhibit “A” attached hereto and incorporated herein by reference, together with any Real Estate added to the Common Interest Community pursuant to Article V hereinafter.

Section 26: “Residence” shall mean and refer to a single-family residential dwelling constructed on a Lot.

Section 27: “Residential Use” shall mean and refer to use of a Residence as a dwelling by a single family.

Section 28: “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.

Section 29: “Security Interest” shall mean and refer to an interest in real property created by contract or conveyance which secures payment or performance of an obligation. The term includes a lien created by a 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. “First Security Interest” shall mean and refer to a Security Interest in a Lot 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. Section 30: “Single-family” shall mean and refer to any individual or group of persons related by blood or marriage or any unrelated group of not more than three (3) persons living together in a Residence.

Section 31: “Utility Easement” shall mean and refer to an easement thirty (30) feet in width adjacent to and parallel with all Access Easements and an easement twenty (20) feet in width adjacent to and parallel with all rear Lot lines as shown on the Plat to provide utility services to all of the Lots and Open Spaces.

Section 32: Unless the context clearly indicates otherwise, other terms defined in the Act shall have the meanings attributable to such terms in the Act.

Section 33: 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

Section 1: Name. The name of the Common Interest Community is The Meadows at Rolling Hills.

Section 2: Association. The name of the Association is The Meadows at Rolling Hills Homeowner’s Association.

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

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

Section 5: Legal Description. A legal description of the Real Estate included in the Common Interest Community is set forth on Exhibit “A” attached hereto and incorporated herein by reference. Additional Real Estate may be added to the Common Interest Community pursuant to Article V hereinafter.

Section 6: Maximum Number of Lots. The maximum number of Lots that the Declarant reserves the right to create within the Common Interest Community is fourteen (14).

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

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

(a) Each Owner's share of the 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) Each Owner shall be entitled to one (1) vote for each Lot owned.

Section 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.

Section 10: Notice. Notice of matters affecting the Common Interest Community may be given to Lot Owners by the Association or by other Lot Owners in the following manner: notice shall be hand delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner to the Association. Such notice shall be deemed given when hand delivered or when deposited in the United States mail.

ARTICLE IV. ASSOCIATION

Section 1: Membership. Every Owner of a Lot which is subject to assessment 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 any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. 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 known as The Meadows at Rolling Hills located in the Town of Laporte, Larimer County, Colorado, in accordance with the Act, as amended, and the Colorado Nonprofit Corporation Act, as amended; (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 of the State of Colorado, this Declaration,

and the Bylaws, Rules and Regulations, and other governing documents of the Association.

Section 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 records of the Clerk and Recorder of Larimer County, Colorado.

Section 3: Allocated Interests. The Common Expense Liability and votes in the Association allocated to each Lot are set forth as follows:

- (a) The percentage of liability for Common Expenses shall be allocated on the basis of equal liability for each Lot.
- (b) The number of votes in the Association shall be allocated on the basis of one vote for each Lot.

Section 4: Authority. The business and affairs of the Common Interest Community shall be managed by the Association. The Association shall be governed by this Declaration and the Articles of Incorporation, Bylaws, and Rules and Regulations of the Association, as amended from time to time.

Section 5: Powers. The Association shall have all of the powers, authority, and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Common Interest Community.

Section 6: Declarant Control. The Declarant, or persons designated by the Declarant, may appoint and remove the owners and members of the Executive Board of the Association for a period of fifteen (15) years after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado. The period of Declarant control as herein set forth is subject to the limitations of Section 38-33.3-303(5) of the Act.

Section 7: Executive Board Powers and Duties. The Executive Board may act in all instances on behalf of the Association. The Executive Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association 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 Managers.
- (f) Hire and discharge independent contractors, employees, and agents, other than Managers.
- (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 two (2) or more Lot Owners on any matters affecting the Common Interest Community.
- (h) Make contracts and incur liabilities.
- (i) Regulate the use, maintenance, repair, replacement, and modification of the Common Elements.
- (j) Cause additional improvements to be made as a part of the Common Elements.
- (k) Acquire, hold, encumber and convey in the Association's name, any right, title or interest to real estate or personal property, but the Common Elements may be conveyed or subjected to a Security Interest only pursuant to this Declaration and the Act
- (l) Grant easements for any period of time, including permanent easements, leases, licenses, and concessions through or over the Common Elements, subject to the restrictions and limitations of this Declaration and the Act.
- (m) Impose and receive a fee or charge for the use, rental, or operation of the Common Elements and for services provided to Lot Owners.
- (n) Impose a reasonable charge for late payment of assessments and levy a reasonable fine for violation of the Documents.
- (o) Impose a reasonable charge for the preparation and recordation of supplements or amendments to this Declaration and for statements of unpaid assessments.
- (p) Provide for the indemnification of the Association's officers and the Executive Board and maintain directors' and officers' liability insurance.
- (q) Assign the Association's right to future income, including the right to receive Common Expense assessments, but only upon the affirmative vote of the Owners of Lots to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose.
- (r) Exercise any other powers conferred by the Documents.
- (s) Exercise any other power that may be exercised in the State of Colorado by a legal entity of the same type as the Association.
- (t) Exercise any other power necessary and proper for the governance and operation of the Association.
- (u) By resolution, establish permanent and standing committees of Executive Board members to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Lot Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Lot Owner within forty-five (45) days of publication of a notice. If an appeal is made, the committee's action must be ratified, modified, or rejected by the Executive Board at its next regular meeting.

Section 8: Professional Management and Contract Termination Provisions. The Association may utilize professional management in performing its duties hereunder. Any agreement for professional management of the Association's business shall have a maximum term of three (3) years and shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, upon sixty (60) days' prior written notice. Any contracts, licenses, or leases entered into by the Association while there is Declarant control of the Association shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, at any time after termination of Declarant control of the Association, upon sixty (60) days' prior written notice; provided, however, that any contract entered into at any time by the Association providing for services of the Declarant shall provide for termination at any time by either party thereto, without cause and without payment of a termination fee, upon sixty (60)day's prior written notice.

Section 9: Executive Board Limitations. The Executive Board may not act on behalf of the Association to mend this Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine their qualifications, powers, and duties or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

Section 10: Owner's Negligence. Notwithstanding anything to the contrary contained in this Declaration in the event that the need for maintenance or repair of the Common Elements or any improvements located thereon is caused by the willful or negligent act, omission, or misconduct of any Lot Owner or by the willful or negligent act, omission, or misconduct of any member of such Lot Owner's family or by a guest, invitee, employee, agent, contractor, or subcontractor of such Lot Owner or any tenant or member of a tenant's family, the costs of such repair and maintenance shall be the personal obligation of such Lot Owner, and any costs, expenses, and fees incurred by the Association for such maintenance, repair, or reconstruction shall be added to and become part of the assessment to which such Owner's Lot is subject and shall be a lien ,against such Owner's Lot as provided in this Declaration. A determination of the willful or negligent act, omission, or misconduct of any Lot Owner or any member of a Lot Owner's family or a guest, invitee, employee, agent, contractor, or subcontractor of any Lot Owner or tenant or member of a tenant's family and the amount of the Lot Owner's liability therefore shall be determined by the Executive Board after notice to the Lot Owner and the right to be heard before the Executive Board in connection therewith.

Section 11: Indemnification. To the full extent permitted by law, each officer and member of the Executive Board of the Association and each member of the Architectural Control Committee shall be and are hereby indemnified by the Lot Owners and 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 Executive Board or Architectural Control Committee of the Association, or any settlement thereof, whether or not they are an officer or a member of the Executive Board or Architectural Control Committee of the Association at the time such expenses are incurred, except in such cases where such officer or member of the Executive Board or Architectural Control Committee 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 Executive Board approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE V. SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Section 1: Special Declarant Rights. Declarant hereby reserves the right for a period of fifteen (15) years after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado, to perform the acts and exercise the rights hereinafter specified (lithe 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) Exercise of Developmental Rights. The right to exercise any Development Right reserved in Article VI of this Declaration.
- (c) Sales Management and Marketing. The right to maintain one (1) Sign advertising the Common Interest Community and the right to be on the property in order to sell lots to prospective buyers.
- (d) Construction Easements. The right to use easements within the Common Interest Community for the purpose of making improvements within the Common Interest Community or within Real Estate which may be added to the Common Interest Community.
- (e) Master Association. The right to make the Common Interest Community subject to a master association.
- (f) Merger. The right to merge or consolidate the Common Interest Community with another Common Interest Community of the same form of ownership.
- (g) Control of Association and Executive Board. The right to appoint or remove any officer of the Association or any Executive Board member.
- (h) Amendment of Declaration. The right to amend the Declaration in connection with the exercise of any Development Rights.
- (i) Amendment of Plat. The right to amend and supplement the Plat in connection with the exercise of any Development Rights.

Section 2: Additional Reserved Rights. In addition to the Special Declarant Rights set forth in Section 1 above, Declarant also reserves the following additional rights (“the Additional Reserved Rights”):

- (a) Dedications. The right to establish, from time to time, by dedication or otherwise, access, utility, irrigation, and other easements over, across, and upon the Common

Elements for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, and open spaces, and irrigation of open spaces, lots, and properties adjacent to the Common Interest Community and to create other reservations, exceptions, and exclusions over, across, and upon the Common Elements for the benefit of and to serve the Lot Owners and the Association.

(b) Use Agreements. The right to enter in to, establish, execute, mend, and otherwise deal with contracts and agreements for the use, lease, maintenance, improvement, or regulation of Common Elements.

(c) Other Rights. The right to exercise any Additional Reserved Right created by any other provision of this Declaration.

Section 3: Rights Transferable. Any Special Declarant Right or Additional Reserved Right created or reserved under this Article for the benefit of the Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in Larimer County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE VI. RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS

Section 1: Expansion Rights. Declarant expressly reserves the right to subject all or any part of the property described in Exhibit A hereby to the provisions of this Declaration. The consent of the 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.

Section 2: Withdrawal Rights. If all or any part of the Development Property is submitted to this Declaration, Declarant expressly reserves the right to withdraw all or any portion of the Development Property from the Common Interest Community by recording a document evidencing such withdrawal in the office of the Clerk and Recorder of Larimer County, Colorado. The Real Estate 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 office of the Clerk and Recorder of Larimer County, Colorado, whatever documents are necessary to evidence such easements.

Section 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 restrictions applicable only to the Lots and/or Common Elements contained within the Development Property added to the Real Estate by such Amendment. Such restrictions may (or may not) include, by example and not limitation, restrictions on the number of horses, 4-14 animals, and /other livestock permitted to be maintained on a Lot. Such Amendment may (or may not) prohibit horseback riding upon the Common Elements contained within any Development Property added to the Real Estate by the Owners of Lots within the Development Property as well as the Owners of Lots within the Real Estate initially included within the Common Interest Community as described on Exhibit “A” attached to this Declaration.

Section 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.

Section 5: Interpretation. Recording of amendments to this Declaration in the office of the Clerk and Recorder of Larimer County, Colorado, 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 to 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.

Section 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 111, Section 6, above. Declarant shall not be obligated to expand the Common Interest Community beyond the number of Lots initially submitted to this Declaration.

Section 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 has such an easement 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 easement includes 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 public, quasi-public, or cooperative utility companies and to convey improvements within those easements. Declarant further reserves the right to construct irrigation improvements within the Common Elements and within any Utility or Access Easement.

Section 8: Reciprocal Easements. If all or any part of the Development Property is submitted to but subsequently withdrawn from the Common Interest Community (“the Withdrawn Property”): (1) the Lot Owner(s) of the Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utility service, repair, maintenance, and emergencies over and across the Common Interest Community; and (2) 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 office of the Clerk and Recorder of Larimer County, Colorado, 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 in the Common Interest Community shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by 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.

Section 9: Termination of Expansion and Development Rights. The expansion and development rights reserved to Declarant, for itself and its successors and assigns, shall expire fifteen (15) years from the date of recording this Declaration in the office of the Clerk and Recorder of Larimer County, Colorado, unless the expansion and development rights are (1) extended as allowed by law or (2) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the expansion and development rights by Declarant.

Section 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 office of the Clerk and Recorder of Larimer County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE VII. ASSESSMENT FOR COMMON EXPENSES

Section 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 therefore, 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.

Section 2: Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and for the improvement and maintenance of the Common Elements.

Section 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 proportionate share of such aggregate sum.

Section 4: Minimum Annual Assessment. Until January 1 of the year immediately following the date of commencement of annual assessments, the maximum annual assessment shall be Seven Hundred Fifty Dollars (\$750) per Lot.

(a) From and after January 1 of the year immediately following the date of commencement of annual assessments, the maximum annual assessment 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 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 Executive Board may fix the annual assessment at an amount not in excess of the maximum.

Section 5: Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, payment of any operating deficit and/or unbudgeted cost, the cost of

any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, and the cost of any construction, reconstruction, repair, or replacement of any street or road within the Common Interest Community; provided that any such Special assessment 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.

Section 6: Notice and Quorum for any Action Authorized Under Sections 4 and 5.

Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 shall be sent to all Owners not less than thirty (30) days or no 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 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.

Section 7: Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis.

Section 8: Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on January 1 of the year following the completion of the construction and installation of all streets and utilities within the Real Estate by the Declarant. The Executive 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 subject thereto. Annual assessments shall be collected in twelve (12) equal monthly installments.

Section 9: Exempt Property. The following property subject to the Declaration shall be exempted from the assessments, charges, and liens created herein:

- (a) All properties to the extent of any easement or other interest therein dedicated and accepted by a municipal or quasi-municipal corporation or other local public utility or authority and devoted to public use.
- (b) All Common Elements.

Section 10: 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 maintenance and repair of the Common Elements and any other expenses incurred. Such records shall be available on request for examination by the Lot Owners and others with an interest, such as prospective lenders.

Section 11: Notice to Security Interest. Upon the request of a holder of a First Security Interest on a Lot, and upon payment of reasonable compensation therefore, the Association shall report to such party any unpaid assessment or other defaults under the terms of this Declaration which are not cured by the Lot Owner within thirty (30) days after written notice of default given by the Association to the Lot Owner.

Section 12: 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. The statement must be furnished within fourteen (14) business days after receipt of the request and is binding on the Association, the Executive Board, and each Lot Owner. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance. 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.

Section 13: Common Expenses Attributable to Fewer than All Lots. The following Common Expenses may be chargeable to fewer than all Lots:

(a) An assessment to pay a judgment against the Association may be made only against the Lots in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense Liabilities.

(b) If a Common Expense is caused by the misconduct of a Lot Owner, the members of such Owner's family, or such Owner's guests, invitees, employees, agents, contractors, subcontractors, or tenants, the Association may assess that expense against that Lot Owner and such Owner's Lot.

(c) Fees, charges, taxes, impositions, late charges, fines, collection costs, and interest charged against a Lot Owner pursuant to the Documents and the Act are enforceable as Common Expense assessments against such Owner's Lot.

Section 14: Written Consent from Larimer County to dissolve Association. Developer and Association agree that the Association shall not be dissolved without written consent of the Board of County Commissioners of Larimer County.

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 Executive Board.

In addition, the Executive 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 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. COMMON ELEMENTS

Section 1: Description of Common Elements. The Common Elements within the Common Interest Community shall consist of the following real property, easements, and such additional Common Elements as may be conveyed to the Association in connection with any property which may be added to the Common Interest Community pursuant to the terms of Article V hereinabove:

(a) Open Space. The Common Elements shall include Outlot A, and Outlot B designated as Open Space on the Plat.

(b) Access Easement. The Common Elements shall include, and the Declarant hereby grants, bargains, sells, and conveys to the Association and to each Lot Owner, their heirs, personal representatives, successors, assigns, and invitees, forever, and reserves unto itself, its successors and assigns, a nonexclusive, perpetual easement sixty (60) feet in width over, across, and upon the streets designated as the road Del Corlina Way and Prado Drive on the Plat. The Declarant further grants to the Town of Laporte, Fort Collins Fire Authority, and any other governmental or quasi- governmental entity having jurisdiction over the Common Interest Community a non-exclusive, perpetual easement sixty (60) feet in width over, across, and upon the streets designated as Teepee Trail and Teepee Trail Circle on the Plat for routine and emergency access to the Lots and Open Spaces. The Declarant expressly reserves to itself and its successors, assigns, and invitees the right to use the Access Easement and to grant and convey the right to use the Access Easement to other Persons or entities. The Declarant shall construct the streets within the Access Easement. Once constructed, the Association shall be responsible for the maintenance, repair, renovation, and improvement of the streets, including, by example and not limitation, snow removal. In the event any maintenance or repair of the streets is necessitated by damage caused by a particular Owner or such Owner's invitees, including, by example and not limitation, damage to the streets caused by trucks or other heavy equipment of any contractor, agent, employee, or subcontractor of an Owner

during the construction of a Residence on the Owner's Lot, then the Association shall make the necessary repairs, but the cost thereof shall be assessed as a special assessment against the Owner and the Owner's Lot who caused the damage or whose contractors, agents, employees, subcontractors, or invitees caused the damage. Any special assessment made in connection with the repair or maintenance of the streets shall be due and payable 10 (ten) days after the notice of assessment is given to the Owner of the Lot subject to the assessment.

c) Utilities. The Common Elements shall include, and the Declarant hereby grants to the Association, its successors and assigns, and reserves unto itself, its successors and assigns, a nonexclusive, perpetual Utility Easement thirty (30) feet in width adjacent to all of the Access Easements and twenty (20) feet in width adjacent to all rear Lot lines as shown on the Plat. The Declarant and the Association shall have the right, at their sole and absolute discretion, to grant and convey Utility Easements to any Person or entity for the installation, construction, maintenance, and repair of utility pipes, conduits, wires, lines, systems, and facilities within the Utility Easement to provide water, sewer, gas, electric, telephone, television, or other utility services to the Lots. Use of the Utility Easement shall not be confined to present utility services available to the Common Interest Community but may be expanded as additional utility services become available.

(d) Fence, Entrance Signs, and Gates. The Common Elements shall include, and the Declarant hereby grants to the Association, its successors and assigns, and reserves unto itself, its successors and assigns, the right to construct, install, maintain, repair, and improve (1) a fence along all or a portion of the exterior boundary of the Common Interest Community, which fence may be constructed within the Access and Utility Easement or any easement reserved by the Declarant or granted to the Association on one or more Lots for such purpose; and (2) entrance signs and gates identifying the Common Interest Community which may be installed within the Access and Utility Easements or any easement reserved by the Declarant or granted to the Association on a Lot for such purpose near the point at which the streets intersect public streets and roads.

(e) Miscellaneous Improvements. The Common Elements shall include all other improvements installed by the Declarant or the Association within any Open space, Access Easement, Utility Easement, or other Common Element.

(f) Rules and Regulations. The Executive Board shall have the right to adopt reasonable Rules and Regulations governing the use of all streets within the Common Interest Community, provided that such Rules and Regulations apply to all Owners, their guests and invitees, in a nondiscriminatory manner. Such Rules and Regulations may include establishing the maximum speed limit for vehicles using the streets. The Executive Board shall have the right to assess fines for violations of the Rules and Regulations.

Section 2: Owners' Easements of Enjoyment. Each Lot Owner shall have right and easement of enjoyment in and to the Common Elements, and such easements shall be appurtenant to and shall pass with title to every Lot, subject to the following provisions:

(a) The right of the Association to promulgate and publish reasonable Rules and Regulations as provided in this Declaration.

(b) The right of the Association to suspend voting rights and the right to use the Common Elements by an Owner for any period during which any assessment against his

or her Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations; provided, however, that the Association may not prohibit access to any Lot.

(c) The right of the Declarant or the Association, acting through its Executive Board, to dedicate or transfer any part of the Common Elements to any public, quasi-public, or cooperative agency, authority, utility, or other entity.

(d) The right of the Association to close or limit use of the Common Elements while maintaining, repairing, or making replacements in the Common Elements.

(e) The right of the Declarant to add all or any portion of the Development Property to the Common Interest Community and, in connection therewith, to grant to the Owners of Lots within the Development Property easements over and across the Common Elements.

(f) The right, but not the obligation, of the Declarant or the Association, acting through its Executive Board, to construct, install, maintain, repair, and improve a gate at the intersection of any street within the Common Interest Community and an adjacent public street or road.

Section 3: Delegation of Use. A Lot Owner may delegate his or her right of enjoyment to the Common Elements to the members of his or her family, guests, invitees, and tenants subject to the terms and provisions of the Documents.

ARTICLE X. ARCHITECTURAL CONTROL

Section 1: Architectural Control Committee.

(a) Membership. The Architectural Control Committee shall consist of three (3) persons. 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 (as may be expanded by the Declarant pursuant to the terms of Article V hereinabove), then the members of the Architectural Control Committee shall be appointed by the Executive Board from among the Owners.

(b) Purpose. The Architectural Control Committee is established for the purpose of maintaining within 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 the Common Interest Community.

(c) Term. Each member of the Architectural Control Committee shall serve the pleasure of the person or entity appointing such member. In the event of the death or resignation of any member of the 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 the 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 building codes, zoning resolutions, subdivision regulations, or other governmental rules and regulations applicable to the Common Interest Community.

Section 2: Control. No construction, alteration, addition, modification, exterior decoration, exterior redecoration, or reconstruction of any building, fence, wall, structure, 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.

Section 3: Submission. Each application for approval shall include the following:

(a) Two (2) complete copies of a site plan of the Lot. The site plan shall show the following information with a scale of one (1) inch on the plans for each forty (40) feet of actual distance on the Lot:

- (1) A building footprint with dimensions from front, rear and side boundaries lines of the Lot.
- (2) Driveways located or to be constructed on the Lot.
- (3) Any existing structures on the Lot.
- (4) Location of improvements with respect to utility lines and facilities.

(b) Two (2) complete sets of construction plans and specifications. Said plans and specifications shall include the following minimum information:

- (1) Floor plans of all levels of any Residence which plans shall contain sufficient detail to describe the elements of the floor plan design.
- (2) Total square footage for each level of any Residence.
- (3) Building elevations on all sides of the proposed structure containing sufficient detail to determine roof form and material, window locations, siding material, and door placements.

(4)A written description of the materials to be used in the roof and exterior walls of the structure.

(5)The size, type, and material to be incorporated in any fencing to be located on the Lot.

(6)The color of any paint, stain, or stucco to be applied to the improvements and the color of the roofing material.

Section 4: Rules and Guidelines. The Architectural Control Committee may issue rules setting forth procedures for the submission of plans for approval and may also issue guidelines setting forth the criteria that the Architectural Control Committee will use in considering plans submitted to it for approval.

Section 5: 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, or additions contemplated thereby, and in the location as indicated, will comply with this Declaration, 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 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 Residences located within the Common Interest Community. Should the Architectural Control Committee fail to approve or disapprove the plans and specifications submitted to it by an Owner of a Lot within thirty (30) days after complete submission of all required documents, then such approval shall not be required; provided, however, that no building or other structure shall be erected or allowed to remain on any lot which violates any of the covenants or restrictions contained in this Declaration. 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. Approval by the Architectural Control Committee shall be in writing or by endorsement on the plans.

Section 6: 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 my 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.

Section 7: Land Use and Building. No building or other structure shall be erected, altered, placed, or permitted to remain on any Lot other than one 1) single-family site-built Residence per Lot, with attached garage for two (2) automobiles; outbuildings as hereinafter described; and such other structures as may be approved by the Architectural Control Committee.

Section 8: Residence Size. No Residence shall be erected, altered, or permitted to remain on any Lot of the Common Interest Community unless the ground floor area thereof, exclusive of basements, open porches, and garages, is not less than two thousand

(2,000) square feet for a single-story Residence and a total of twenty-three hundred (2,300) square feet for a multi-level Residence. The square footage of basements, walk-outs, and garden levels shall not be included in determining the square footage of a multi-level Residence. For purposes of this provision, the terms “basement,” “walk-out,” and “garden level” shall mean any level, a portion of which is constructed below the ground elevation.

Section 9: Garages. Each Residence shall include an attached, two-car garage. “Two-car garage” shall mean that two (2) motor vehicles may be parked side-by-side in the garage. The garage shall have two standard-size, single-car garage doors or one (1) standard-size, double-car garage door. Tandem garages in which motor vehicles are parked one behind another shall not be deemed to satisfy the requirement of a two-car garage even though the tandem garage may be capable of accommodating two motor vehicles. Larger garages shall be permitted if approved by the Architectural Control Committee. If an Owner desires an additional detached garage, it may be permitted if approved by the Architectural Control Committee. A detached garage must match the Residence in style, color, and design. The Architectural Control Committee has the sole right and discretion to consider location in reviewing plans for a detached garage. Approval may be withheld if location is deemed detrimental to the views of the neighbors.

Section 10: Roof. Roof material shall be cedar shake; tile; wood fiber cement shingles; 40 year dimensional; or metal or roofing materials comparable to these products are subject to Architectural approval.

Section 11: Siding. All exteriors shall be brick, masonry, stucco, or top- grade synthetic, cedar, or redwood siding. Brick or other masonry, if used, shall wrap around the front corners of the Residence a minimum of four (4) feet. Synthetic siding may only be installed with adequate backing and in strict conformance to the manufacturer’s recommendations and specifications. Special review is necessary for log homes.

Section 12: Color. All Residences and other structures constructed on any Lot shall be white or earth tone in color as approved by the Architectural Control Committee.

Section 13: Building Height. No Residence or other structure constructed upon any Lot shall exceed thirty-five (35 feet in height from the top of the main floor foundation of such Residence or structure to the highest point on the Residence or structure. The Architectural Control Committee may grant relief from the provisions of this section for good cause shown.

Section 14: Outbuildings. Outbuildings, such as hay barns, stables, and corrals, shall be permitted subject to Architectural Control Committee approval and the following guidelines:

(a) Two outbuildings are allowed. No one outbuilding shall exceed four thousand (4,000) square feet in size and no combination of two outbuildings shall exceed (6,000)

square feet in size.

(b) All outbuildings shall be substantially the same style, color, and design as, or a complementary style, color, and design to, the Residence constructed on the lot.

(c) If more than one outbuilding is constructed, all outbuildings shall be of the same general color and design scheme.

(d) The Architectural Control Committee may consider the proposed location of outbuildings in deciding whether to approve outbuildings and may require landscape screening or masking. Without limiting the generality of the foregoing outbuilding, no outbuilding shall be closer to an internal street than the furthest point of the Residence. The Architectural Control Committee may grant relief from this provision for outbuildings proposed on corner Lots.

Section 15: Driveways. Recycled asphalt shall be permitted. The Owner of each Lot shall install a culvert at the entrance to the Owner's driveway. Driveway culverts shall be steel or double-walled black corrugated polyethylene pipe with flared end sections of a quality equal to or better than "N-12" pipe manufactured by Advanced Drainage Systems.

Section 16: Building Location. Except as otherwise provided in this section, no Residence or other structure shall be constructed or placed upon any Lot nearer to the front Lot line, side Lot line, or rear Lot line than the following minimum setback requirements:

(a) Front Lot Line: No building shall be located on any Lot nearer than twenty-five (25) feet from the front Lot line.

(b) Side Lot Line: No buildings shall be located on any Lot nearer than five (5) feet to the side Lot line.

(c) Rear Lot Line: No building shall be located on any Lot nearer than (10) feet to the rear Lot line.

For purposes of this section, building corners, eaves, steps, open porches (roofed or not roofed), or other components of a building shall be considered as part of the building. The Architectural Control Committee or the Executive Board of the Association reserves the right to designate which streets are front streets and which property lines are front Lot lines, side Lot lines, and rear Lot lines. The Architectural Control Committee may grant relief from the provisions of this Section for good cause shown. Notwithstanding the foregoing setback requirements, no building or other structure, except fences, shall be constructed, installed, or permitted to remain within any easement.

Section 17: Sight Distance at Intersections. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations less than six (6) feet above the street shall be placed or permitted to remain on any corner Lot unless it is placed at least seventy-five (75) feet from the centerline of both streets. No tree or obstruction shall be permitted to remain on a corner Lot unless the foliage line is maintained to sufficient height to prevent obstruction of sight lines. Relief from restriction may be granted by review of Architectural Control.

Section 18: Construction. Construction of a Residence or other structure approved by the Architectural Control Committee shall commence within nine (9) months after approval of the plans and specifications, and the Owner shall thereafter proceed diligently with such construction. The exterior of said structure shall be completed within six (6) months of the date of commencement of construction. The Architectural Control Committee may grant an extension of the foregoing time periods for good cause and when such extension is requested by the Owner. Each Owner shall provide portable toilet facilities and trash dumpster during construction of the Residence on such Owner's Lot.

Section 19: Fences. Any fence to be constructed on a Lot must be approved by the Architectural Control Committee. In no event shall barbed wire or metal t-posts be utilized.

Section 20: Landscaping. Each Lot shall be fully landscaped within twelve (12) months after the issuance of a certificate of occupancy for a Residence on the Lot. Native grasses shall be a permissible form of landscaping.

Section 21: Signs. The Declarant or the Association shall have the right to place a permanent sign at each entrance to the Common Interest Community-identifying the development; (a) 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; and (b) additional signs for in-home businesses or any other use except for real estate signs may be permitted if approved by the Architectural Control Committee.

Section 22: Clotheslines. Only retractable clotheslines may be installed on a Lot.

Section 23: Antennas. No antenna 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, shall be erected, used, or maintained outdoors on any Lot, whether attached to a building or structure or otherwise, unless approved by the Architectural Control Committee. Small satellite dishes only. No ham radio towers are allowed.

Section 24: 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

Residence or other structure on a Lot shall be screened from view from other Lots and from the streets by fencing or landscaping approved by the Architectural Control Committee. Window air-conditioning units and swamp coolers shall not be permitted on primary residence but may be approved on outbuildings.

Section 25: Damage or Destruction of Improvements. In the event any Residence or other structure constructed on a Lot is damaged, either in whole or in part, by fire or other casualty, said Residence or other structure shall be promptly rebuilt or remodeled to comply with this Declaration; or in the alternative, if the Residence 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 Residence or other structure.

Section 26: Down Lighting. All lighting on exterior of home and outbuildings shall be down lighting to avoid glare to neighbor's homes.

ARTICLE XI. USE RESTRICTIONS

Section 1: Trash Collection. The Association, acting through its Executive Board, shall have the right to require that any trash collection within the Common Interest Community be performed by one company and that trash be collected from all Lots by such company on the same day of each week. The Executive Board shall select the trash company based on competitive bids. The cost of trash collection shall be paid by each Owner directly to the trash collection company and the Association shall not have the duty to assess the cost of trash collection as a Common Expense. Nothing herein contained shall be construed to prohibit an Owner from personally disposing of trash from his Lot. This section shall not apply to a contractor during the construction of a Residence or other improvements on a Lot. The contractor may dispose of trash, rubbish, debris, and other construction materials from the Lot either personally or by contracting with a trash collection company. The trash collection company may remove trash, rubbish, debris, and other construction materials from the Lot during the construction of the Residence as often as the contractor deems appropriate. All dumpsters shall have lid tie-downs to protect them from animals.

Section 2: Mineral Extraction. No mining or extraction of oil, gas, gravel, or other minerals shall be permitted on any Lot.

Section 3: Resubdivision. No Lot may be further subdivided without the approval of the Architectural Control Committee. 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.

Section 4: Restrictions on Leasing. No Lot Owner shall lease his or her Residence to any group of people other than a "single family" as defined in Article II herein above nor

shall any lease be for a period of less than thirty (30) days. All such leases shall be in writing and shall contain a covenant by the tenant or tenants that their use and occupancy of the Residence pursuant to the terms of the lease are subject to the terms and conditions set forth in this Declaration and that such tenant will abide by the terms contained herein as well as all Rules and Regulations promulgated by the Association.

Section 5: Household Pets. Dogs, cats, or other household pets, as the same may be defined and determined by the Association, may be kept on a Lot, provided the same are not boarded, kept, bred, or maintained for any commercial purposes. No more than three (3) dogs and no more than a total of four (4) adult dogs, and adult cats may be kept on any Lot (one dog and three cats; or two dogs and two cats; or three dogs and one cat; or four cats). Dogs and cats shall not be considered adults until they are six (6) months old. All household pets shall be subject to all Rules and Regulations adopted by the Association and all governmental ordinances or laws applicable to the Common Interest Community. Dogs shall at all times be confined by fence, leash, or under voice command. Each Owner of a pet shall be responsible for the prompt clean up and removal of such pet's excrement from his or her Lot and or common areas.

Section 6: Livestock. Livestock is permitted subject to the following conditions:

(a) Horses. A maximum of 1 horse per acre may be permitted to be maintained on a Lot.

(b) 4- H Animals. 4-H type animals shall include cows, sheep, goats, alpacas, llamas, and similar animals

(c) Grazing. No Lot shall be overgrazed, and the character of the Lot shall not be changed by the gazing of animals and livestock. "Overgrazing," as used herein, is the continued heavy growing during active growth that is both severe and frequent which exceeds the recovery capacity of the plant community and creates a deteriorated range. Grazing shall be limited to an intensity level that will maintain enough cover to protect the soil and maintain or improve the quality and quantity of desirable vegetation.

Section 7: Use of Common Elements. All use of the Common Elements shall be subject to and governed by the Rules and Regulations adopted by the Association. No damage or waste shall be committed to the Common Elements by Lot Owners, their families, tenants, guests, and invitees.

Section 8: Occupancy of Lot. In addition to any other restrictions imposed upon Lot Owners by the Town of Laporte, Colorado, with regard to the completion of a Residence and notwithstanding the issuance of a temporary or permanent certificate of occupancy for the Residence by the appropriate governmental entity, no Residence 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.

Section 9: General Prohibition. No use shall be made of an Owner's Lot which will in any manner violate the statutes or rules and regulations of any Governmental authority having jurisdiction over the use of said Owner's Lot.

Section 10: 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. 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.

Section 11: 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 defined and permitted by the applicable zoning resolution of the governmental entity having jurisdiction over the Common Interest Community. In addition to any restrictions imposed upon Lot Owners by the Town of Laporte with regard to home occupations or businesses, no Owner shall conduct any business activity or home occupation upon his or her Lot which shall involve the sale or storage of merchandise upon the Lot, the delivery of merchandise or materials to the Lot by commercial vehicles more often than once a month, or the use of more than fifteen percent (15%) of the space within a Residence for such business or home occupation. Notwithstanding the foregoing, the Architectural Control Committee shall have the right to authorize prohibited business activities or home occupations upon any Lot, provided that it shall first determine that such home occupation or business shall not unreasonably interfere with the use and enjoyment of the Common Interest Community by other Lot Owners and provided further that the Owner conducting such business activities or home occupation agrees to such reasonable Rules and Regulations as may be imposed upon him or her by the Architectural Control Committee.

Section 12: Temporary Structures. No structure of a temporary character, including, by example and not limitation, trailers, converted trailers, shacks, easements, tents, garages, or accessory buildings, shall be used on any Lot as a Residence, temporarily or permanently.

Section 13: Restriction of Use. No motor-driven, engine-powered, or other mechanically propelled vehicle, including, by example and not limitation, automobiles, trucks, motorcycles, all-terrain vehicles, and snowmobiles, may be used or operated within or upon any of the Open Spaces, except in the event of an emergency or by the Association for maintenance purposes. Golf carts are excepted from this restriction of use.

Section 14: Storage of Vehicles. Boats, campers, snowmobiles, all-terrain vehicles, trailers, machines, tractors, semi-tractors, tractor trailers, trucks (except standard pickup trucks), and inoperative automobiles shall not be stored, parked, or permitted to remain on any street, Lot, or Common Element, except within fully-screened, fenced areas approved by the Architectural Control Committee. For purposes of this provision, any disassembled or partially disassembled car or other vehicle or any car or other vehicle which has not been moved under its own power for more than 30 days shall be considered an inoperative automobile subject to the terms of this Section. Notwithstanding the foregoing, horse trailers, fifth-wheel campers, motor homes, and recreational vehicles may be parked in an orderly manner adjacent to a structure on the Lot.

Section 15: Discharge of Weapons. No person shall discharge, fire, or shoot any gun, pistol, crossbow, bow and arrow, slingshot, or other firearm or weapon whatsoever, including BB guns and pellet guns, within the Common Interest Community. Notwithstanding the foregoing, the discharge of firearms or weapons 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.

Section 16: 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.

ARTICLE XII. DRAINAGE

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

Section 2. 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.

Section 5: Disclaimer. The Declarant shall not be liable for any loss or damage to the Residence, 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.

ARTICLE XIII. SURROUNDING AGRICULTURAL USES AND WILDLIFE

Section 1: Right to Farm. The rural land surrounding the Town of Laporte intensively used for agriculture, and Owners of Lots within the Common Interest Community must recognize that there are agricultural practices ongoing and which will continue in the agricultural land surrounding the Common Interest Community.

gricultural users of the land should not be expected to change their long-established agricultural practices in order to accommodate the intrusions of urban users into their area. Well-run agricultural activities will generate off-site impacts, including noise from tractors and equipment; dust from animal pens, field work, harvest, and dirt roads; odor from animal confinement, silage, and manure; smoke from ditch burning; flies and mosquitoes; the use of pesticides and fertilizers in the fields, including the use of aerial spraying. Ditches and reservoirs cannot simply be moved “out of the way” of residential development without threatening the efficient delivery of irrigation to fields which is essential to farm- production. The rural nature of the Common Interest Community is such that law enforcement response time will be slower than in an

urbanized area. Children are exposed to different hazards in rural areas than in urban settings. Farm equipment, ponds, irrigation ditches, electrical pumps, sprinkler systems, high-speed traffic, sand burs, puncture vines, territorial farm dogs, and livestock present real threats to children.

Controlling children's activities is important, not only for their safety but also for the protection of the surrounding agricultural interests.

Section 2: Wildlife. The Common Interest Community is located in a rural setting where wildlife such as raccoons, skunks, coyotes, deer, and mosquitoes abound and can at times be a nuisance. Deer and antelope may eat grass or hay in the field or which has been stored. The Colorado Division of Wildlife will not be responsible for compensation for loss of grass, hay, or other crops due to wildlife. Geese are attracted to bluegrass, and Owners should consider limiting the amount of bluegrass planted.

ARTICLE XIV. MORTGAGEE PROTECTION

Section 1: Introduction. 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.

Section 2: Notice of Actions. The Association shall give prompt written notice to each Mortgagee and Insurer of (and each Lot Owner hereby consents to and authorizes such notice):

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Common Interest Community or any Lot in which there is a First Security Interest held, insured, or guaranteed by such Mortgagee or Insurer, as applicable.
- (b) 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.
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action which would require the consent of a specified percentage of Mortgagees as specified in Section 4 of this Article.
- (e) Any judgment rendered against the Association.

Section 3. 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 all 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 (or my greater Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Special Declarant Rights

- (1) Reserves for maintenance, repair, and replacement of Common Elements.
- (2) Responsibility for maintenance and repairs.
- (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 or Common Elements into Lots.
- (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 expansion or contraction by exercise of Development Rights pursuant to Article VI of this Declaration.
- (6) Insurance or fidelity bonds.
- (7) Imposition of any restrictions on a Lot Owner's right to sell or transfer his/her Lot.
- (8) A decision by the Association to establish self-management when professional management had been required previously by any Mortgagee.
- (9) A decision by the Association not to restore or repair the Common Elements after a hazard damage or partial condemnation.
- (10) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation of the Common Elements.
- (11) 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, or Development Rights set forth in Articles V and VI of this Declaration, without the notice to all Mortgagees and Insurers as required by Section 2 above and approval of at least fifty-one percent (51%) (or the indicated percentage) of the Mortgagees:

- (1) Convey or encumber the Common Elements or any portion thereof without approval by eighty percent (80%) of the Mortgagees. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community will not be deemed a transfer within the meaning of this clause.)
- (2) The termination of the Common Interest Community for reasons other than substantial destruction or condemnation of the Common Elements without the notice to all Mortgagees and Insurers as required by Section 2 above and approval of 51% of the mortgagees.
- (3) The granting of any permits, easements, leases, licenses, or concessions through or over the Common Elements (excluding, however, any utility, road, or other easements serving or necessary to serve the Common Interest Community and excluding any leases, licenses, or concessions for no more than one (1) year.

(4)The establishment of self-management when professional management had been required previously by a Mortgagee.

(5)A decision by the Association not to restore or repair the Common Elements after a hazard damage or partial condemnation.

(6) The merger of the Common Interest Community with any other common interest community.

(7)The assignment of the future income of the Association, including its right to receive Common Expense assessments.

The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the consent of all Mortgagees. The failure of a Mortgagee or Insurer to respond within thirty (30) days to any written request of the Association delivered by certified or registered mail, return receipt requested, for approval of an addition or amendment to the Declaration wherever Mortgagee or Insurer approval is required shall constitute an implied approval of the addition or amendment.

Section 4: Inspection of Books. The Association shall maintain current copies of the Declaration, Bylaws, Rules and Regulations, 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.

Section 5: 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.

Section 6: Enforcement. The provisions of this Article are for the benefit of Mortgagees and Insurers and their successors and may be enforced by any of them by any available means at law or in equity.

Section 7: Attendance at Meetings. Any representative of a Mortgagee or Insurer may attend and address any meeting which an Owner may attend.

Section 8: 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 Executive Board, acting by majority vote through the president, may act as trustee.

Section 9: 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 hazard insurance policies or secure new hazard insurance on the lapse of such a policy for such Association property, and Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

ARTICLE XVI. GENERAL PROVISIONS

Section 1: Enforcement. Enforcement of this Declaration shall 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, 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, by the Architectural Control Committee, or by the Association. In the event it becomes necessary to commence an action to enforce this Declaration, the court shall award to the prevailing party 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 prevailing party in connection with 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.

Section 2: 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.

Section 3: Amendment. Except as otherwise provided in this Declaration, this Declaration may be altered or amended at any time the then record Owners of sixty-seven percent (67%) or more of the Lots so elect through a duly written and recorded instrument; provided, however, that provisions of this Declaration granting access to each Lot from a public street, road, or highway may not be amended without the consent of all Owners and all Mortgagees.

Section 4: 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 describe the scope of the Documents or the intent of any provision thereof.

Section 5: 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 require.

Section 6: 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.

Section 7: 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 or court order, all of the other provisions of the Documents shall continue in full force and effect.

Section 8: 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.

S2CR Land and
Development,
LLC., a
Colorado
Corporation