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TABLE OF CONTENTS

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE RESERVE

Page

ARTICLE I. SUBMISSION OF REAL ESTATE 1

ARTICLE II. DEFINITIONS 2
Section 1: "Allocated Interests" 2
Section 2: "Approval" or "Consent" 2
Section 3: "Architectural Control Committee" 2
Section 4: "Association" or "Lot Owners' Association" . 2
Section 5: "Bylaws" 2
Section 6: "Common Elements" 2
Section 7: "Common Expense Liability" 2
Section 8: "Common Expenses" 2
Section 9: "Common Interest Community" 2
Section 10: "Dealer" 2
Section 11: "Declarant" 2
Section 12: "Declaration" 3
Section 13: "Dispose" or "Disposition" 3
Section 14: "Executive Board" 3
Section 15: "Identifying Number" 3
Section 16: "Insurer" 3
Section 17: "Mortgagee" 3
Section 18: "Person" 3
Section 19: "Plat" 3
Section 20: "Purchaser" 3
Section 21: "Real Estate" 4
Section 22: "Residence" 4
Section 23: "Residential Use" 4
Section 24: "Rules and Regulations" 4
Section 25: "Security Interest" 4
Section 26: "Single-family" 4
Section 27: "Unit" and/or "Lot" 5
Section 28: "Unit Owner" and/or "Lot Owner" 5

ARTICLE III. COMMON INTEREST COMMUNITY 5
Section 1: Name 5
Section 2: Association 5
Section 3: Planned Community 5
Section 4: County 5
Section 5: Legal Description 5
Section 6: Maximum Number of Lots 5
Section 7: Boundaries of Lots 5
Section 8: Allocated Interests 5
Section 9: Recording Data 5
Section 10: Notice 6

Wyatt & Hartell

Page

ARTICLE IV. ASSOCIATION 6
Section 1: Authority 6
Section 2: Powers 6
Section 3: Declarant Control 6

ARTICLE V. SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS 7
Section 1: Special Declarant Rights 7
Section 2: Additional Reserved Rights 8
Section 3: Rights Transferable 8

ARTICLE VI. RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS 8
Section 1: Expansion Rights 8
Section 2: Development and Withdrawal Rights 8
Section 3: Amendment of the Declaration 9
Section 4: Supplement to the Plat 9
Section 5: Interpretation 9
Section 6: Maximum Number of Lots 9
Section 7: Construction Easement 10
Section 8: Reciprocal Easements 10
Section 9: Termination of Expansion and Development Rights 10
Section 10: Transfer of Expansion and Development Rights 11
Section 11: Special Provisions for the Development Property 11

ARTICLE VII. ASSESSMENT FOR COMMON EXPENSES 11
Section 1: Personal Obligation of Owners for Common Expenses 11
Section 2: Purpose of Assessment 11
Section 3: Amount of Assessment 12
Section 4: First Annual Assessment 12
Section 5: Annual Assessments 12
Section 6: Special Assessments for Capital Improvements 12
Section 7: Uniform Rate of Assessment 12
Section 8: Date of Commencement of Annual Assessments; Due Dates 12
Section 9: Exempt Property 12

ARTICLE VIII. LIEN FOR NONPAYMENT OF COMMON EXPENSES 13

ARTICLE IX. ARCHITECTURAL CONTROL 13
Section 1: Architectural Control Committee 13
Section 2: Approval 14
Section 3: Construction 16
Section 4: Liability 16
Section 5: Land Use and Building Type 16

Page

Section 6: Building Sizes 16
Section 7: Garages 17
Section 8: Height of Buildings 17
Section 9: Roof 17
Section 10: Fences 17
Section 11: Clotheslines 17
Section 12: Building Envelope 17
Section 13: Antennas 17
Section 14: Design Scheme, Trim, Fascia, Exterior Vents, Vertical Support Posts, Furnace and Plumbing Vents, Color, Windows, Landscaping, Etc. . . 19
Section 15: Playhouses, Etc. 19
Section 16: Driveways. 19
Section 17: Storage of Vehicles 19
Section 18: Maintenance of Lots and Improvements 20
Section 19: Residential Use 20
Section 20: Household Pets 20
Section 21: Animals Other than Household Pets. 20
Section 22: Damage or Destruction of Improvements . . . 20
Section 23: Storage Tanks and Containers 21

ARTICLE X. PRIVATE DRIVES. 21

ARTICLE XI. DRAINAGE 21
Section 1: Moisture 21
Section 2: Grading 21
Section 3: Action by Owner 21
Section 4: Disclaimer 22

ARTICLE XII. MORTGAGEE PROTECTION 23
Section 1: Introduction 23
Section 2: Notice of Actions 23
Section 3: Consent and Notice Required 23
Section 4: Inspection of Books 26
Section 5: Financial Statements 26
Section 6: Enforcement 26
Section 7: Attendance at Meetings 26
Section 8: Appointment of Trustee 26
Section 9: Payment of Delinquent Fees 26

ARTICLE XIII. GENERAL PROVISIONS 27
Section 1: Enforcement 27
Section 2: Duration 27
Section 3: Amendment 27
Section 4: Management of the Common Areas 27
Section 5: Attorney's Fees 27

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

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE RESERVE

(a Common Interest Community)

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE RESERVE is made and entered into this 9th day of OCTOBER, 1996, by NORDIC CONSTRUCTION & DEVELOPMENT, INC., a Colorado corporation, hereinafter referred to as "the Declarant."

RECITALS

A. The Declarant is the owner of that certain real property located in the County of Larimer, State of Colorado legally described on Exhibit "A" attached hereto and incorporated herein by reference ("the Real Estate"), and Exhibit "B" attached hereto and incorporated herein by reference ("the Development Property").

B. The Declarant desires to create a Common Interest Community on the Real Estate, pursuant to the Colorado Common Ownership Act, § 38-33.3-101, Colorado Revised Statutes, *et seq.*, as it may be amended from time to time ("the Act"), in which portions of the Real Estate will be designated for separate ownership and portions for public use. An Association of Lot Owners will own part of the Real Estate and will regulate certain common interest areas and facilities.

C. The Declarant has caused to be incorporated under the laws of the State of Colorado THE RESERVE AT ESTES PARK HOMEOWNERS' ASSOCIATION, a nonprofit corporation, for the purpose of exercising the functions herein set forth.

ARTICLE I. SUBMISSION OF REAL ESTATE

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

ARTICLE II. DEFINITIONS

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

Section 2: "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 3: "Architectural Control Committee" shall mean and refer to the committee established to review and approve plans for the construction of improvements on Lots as set forth in Article IX of this Declaration.

Section 4: "Association" or "Lot Owners' Association" shall mean and refer to a unit owners' association organized and existing under Section 38-33.3-301 of the Act.

Section 5: "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 6: "Common Elements" shall mean and refer to real estate, easements, and facilities within or benefitting the Common Interest Community owned or leased by the Association or constructed and maintained for the benefit of Lot Owner(s), other than a Lot.

Section 7: "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Lot pursuant to this Declaration.

Section 8: "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.

Section 9: "Common Interest Community" shall mean and refer to the Real Estate described on Exhibit "A" attached hereto and incorporated herein by reference, including any land which may subsequently be added to and become a part of the Common Interest Community, which property that may be added is described on Exhibit "B" attached hereto and incorporated herein by this reference and as added pursuant to § 38-33.3-222 of the Act.

Section 10: "Dealer" shall mean and refer to a Person in the business of selling Lots for such Person's own account.

Section 11: "Declarant" shall mean and refer to any Person or group of Persons acting in concert who:

(a) As a part of a common promotional plan, offers to dispose of to a Purchaser such Declarant's interest in a Lot not previously disposed of to a Purchaser; or

(b) Reserves or succeeds to any Special Declarant's Right.

Section 12: "Declaration" shall mean and refer to this Declaration, including any 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: "Executive Board" shall mean and refer to the Executive Board of the Association.

Section 15: "Identifying Number" shall mean and refer to a symbol or address that identifies only one (1) Lot in the Common Interest Community.

Section 16: "Insurer" shall mean and refer to any governmental agency or authority that insures or guarantees a Mortgage and who has provided written notice of such interest to the Association.

Section 17: "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. "First Mortgagee" shall mean and refer to a Mortgagee who has 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 18: "Person" shall mean and refer to a natural person, a corporation, a partnership, an association, a trust, or any other entity or combination thereof.

Section 19: "Plat" shall mean and refer to the Plat of the Real Estate and/or any part of the Common Interest Community as enlarged by added land recorded in the office of the Clerk and Recorder of Larimer County, Colorado, and all recorded amendments thereto.

Section 20: "Purchaser" shall mean and refer to a Person, other than a Declarant or a Dealer, 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 21: "Real Estate" shall mean and refer to the Real Estate described on Exhibit "A" attached hereto and incorporated herein by reference.

Section 22: "Residence" shall mean and refer to a single-family residential dwelling constructed on a Lot.

Section 23: "Residential Use" shall mean and refer to use for dwelling or recreational purposes but does not include Lots primarily used for commercial income from, or service to, the public. No person that does not reside on the Lot shall work on the Lots as regular work duties, except domestic household help, lawn and garden caretaker or persons in the engagement of construction and maintenance of facilities on the Lots, and the Declarant in the development and sale of the Common Interest Community. Home occupation shall be allowed subject to reasonable regulations adopted by the Executive Board. The Executive Board may adopt such other rules for the Common Interest Community as may be reasonably required to ensure that there are no apparent visits by customers, clients, and service vehicles to the Residence.

Section 24: "Rules and Regulations" shall mean and refer to any instruments, however denominated, which are adopted by the Architectural Control Committee after approval by the Declarant or the Executive Board, or the Association for the regulation and management of the Common Interest Community, including any amendment to those instruments.

Section 25: "Security Interest" shall mean and refer to an interest in real estate or personal 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 26: "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 four (4) persons living together in a Residence.

Section 27: "Unit" and/or "Lot" shall have the same definition as provided in § 38-33.3-103(30) of the Act, as amended.

Section 28: "Unit Owner" and/or "Lot Owner" shall have the same definition as provided in § 38-33.3-103(31) of the Act, as amended.

ARTICLE III. COMMON INTEREST COMMUNITY

Section 1: Name. The name of the Common Interest Community is THE RESERVE.

Section 2: Association. The name of the Association is THE RESERVE AT ESTES PARK HOMEOWNERS' 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. A legal description of land that may be added to the Common Interest Community is set forth on Exhibit "B" attached hereto and incorporated herein by reference, and land may be added pursuant to § 38-33.3-222 of the Act.

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 forty-three (43).

Section 7: Boundaries of Lots. The boundaries of each Lot are set forth on the Plat. 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 and Areas of Special Interest. All notices, agreements, easements and licenses of record to which the Common Interest Community is presently subject are listed on Exhibit "C" attached hereto and incorporated herein by reference. **SPECIAL ATTENTION SHOULD BE GIVEN TO EXHIBIT "C".** In addition, the Common Interest Community may be subject to other notices, agreements, easements or licenses granted by the Declarant pursuant to the terms of this Declaration or that are not of record; and the Common Interest Community is to be governed in the spirit (an animating or vital principle held to give life to physical organisms) of the Declarant's representation to the Town of Estes Park to preserve the natural beauty and its native environment while developing a prime residential area.

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. Such notice shall be deemed given when hand delivered or when deposited in the United States mail.

ARTICLE IV. ASSOCIATION

Section 1: Authority. The business and affairs of the Common Interest Community shall be managed by the Association. The Association shall be governed by its Bylaws as amended from time to time.

Section 2: 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. The Association may assign its future income, including its rights to receive the Common Expense Assessments, only by the affirmative vote of the Lot Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated at a meeting called for that purpose.

Section 3: Declarant's Control. The Declarant, or persons designated by it, may appoint and remove the officers and members of the Executive Board of the Association until January 1, 2003. The period of Declarant's control as herein set forth is subject to the limitations of Section 38-33.3-303 of the Act.

10

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 ("the Special Declarant Rights"). Declarant 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 allow a builder to maintain one (1) sales office, one (1) management office, signs advertising the Common Interest Community, and models. The Declarant shall have the right to determine the number of models and the size and location of the sales office, management office, and models. The Declarant shall also have the right to relocate the sales office, management office, and models from time to time at its discretion. After the Declarant ceases to be the Owner of a Lot, the Declarant shall have the right to remove any sales office, management office, or model from the Common Interest Community.

(d) Construction Easements. The right to use easements through the Common Elements for the purpose of making improvements within the Common Interest Community or within Real Estate which may be added to the Common Interest Community or appurtenant thereto.

(e) Control of Association and Executive Board. The right to appoint or remove any officer of the Association or any Executive Board member, except that this Special Declarant Right shall be limited to the time period and condition set forth in ARTICLE IV, Section 3 above.

(f) Amendment of Declaration. The right to amend the Declaration in connection with the exercise of any Development Rights.

(g) Amendment of Plat. The right to amend the Plat in connection with the exercise of any Development Rights.

(h) Master Association. The right to make the Common Interest Community subject to a master association.

(i) Merger. The right to merge or consolidate a Common Interest Community with another Common Interest Community of the same form of ownership.

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, utility and other easements over, across, and upon the Common Elements for purposes including, but not limited to, streets, paths, walkways, drainage, recreation areas, parking areas, 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 within the Common Interest Community.

(b) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of Common Elements, which may or may not be a part of the Common Interest Community for the benefit of the Lot Owners and/or the Association, subject to the limitation set forth in § 38-33.3-305 of the Act.

(c) Other Rights. The right to exercise any Additional Reserved Right created by an 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 "B" attached hereto and hereby incorporated herein by reference and added pursuant to § 38-33.3-222 of the Act ("the Development Property") 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: Development and Withdrawal Rights. Declarant expressly reserves the right to create additional Lots and Common Elements, to subdivide the Lots, and to convert Lots into Common Elements on all or any portion of the Common Interest Community

property reserved for future development so long as the number of Lots does not exceed fourth-three (43). Declarant may exercise its Development Rights on all or any portion of the reserved property in whatever order of development Declarant, in its sole discretion, determines. If all or any part of the Development Property is submitted to this Declaration, this right to reserve property for future development shall apply to such property as well.

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.

Section 4: Supplement to the Plat. Declarant shall, contemporaneously with the amendment of this Declaration, file a supplement to the 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 the Declaration in the office of the Clerk and Recorder of Larimer County, Colorado, shall automatically (i) vest in each existing Lot Owner the reallocated Allocated Interests appurtenant to his Lot; and (ii) 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 the Declaration, the definitions in this Declaration shall auto-matically 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 the Declaration. Reference to the Declaration in any instrument shall be deemed to include all amendments to the 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 III, Section 6, above or the maximum number of Lots allowed by any governmental entity

having jurisdiction over the Real Estate, pursuant to any development plan for the Real Estate and the Development Property. 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 or other property. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements.

Section 8: Reciprocal Easements. If all or part of the Development Property is not submitted to this Declaration, or if property is withdrawn from the Common Interest Community ("the Withdrawn Property"): (i) the Lot Owner(s) of the Development Property and/or 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 (ii) 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 Development Property and 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 Development Property and 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 conclu-sively 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, its successors and assigns, shall expire fifteen (15)

years from the date of recording this Declaration, unless the expansion and development rights are (i) extended as allowed by law or (ii) 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 Larimer County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee.

Section 11: Special Provisions for the Development Property. If all or any portion of the Development Property is added to the Common Interest Community of which there is no guarantee, there may be tracts within the Development Property that will require special treatment and the Declarant reserves the right to give such land this special treatment. Further, it is acknowledged that, in the Development Property, lot size may be smaller or larger so long as the total number of Lots in the Common Interest Community does not exceed forty-three (43), home occupation may be expanded, architectural design, including, but not limited to, materials, landscaping and fencing, may be changed from those imposed by the Architectural Control Committee in regulating the Real Estate, and, in general, the neighborhood may be changed to meet changing times, demand, and market conditions. The Declarant reserves the right to make all such changes as it, in its sole discretion, deems desirable when including Development Property in the Common Interest Community. Until this Declaration is amended to include Development Property, the Development Property not included shall be absolutely free of any covenants, restrictions, conditions, burdens or reservations of this Declaration.

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 Liability imposed by the Association to meet the estimated Common Expenses for each Lot.

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.

15

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: First Annual Assessment. Until the Association makes a common expense assessment, the Declarant shall pay all common expenses.

Section 5: Annual Assessments. Annual Assessments shall be fixed on or before December of the year prior to the year of assessment. After any assessment has been made by the Association, assessments shall be made no less frequently than annually and shall be based on a budget adopted by the Association no less frequently than annually.

Section 6: 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, the cost of any construction, reconstruction, repair, or replacement of a capital improvement, including fixtures and personal property related thereto, 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 7: Uniform Rate of Assessment. Both annual and special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis or longer intervals up to a year.

Section 8: Date of Commencement of Annual Assessments; Due Dates. The annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot by the Declarant to a Purchaser. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. Written notice of the annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Executive Board.

Section 9: Exempt Property. All properties dedicated to and accepted by a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Colorado shall be exempt from the Assessments created herein, except no land or improvements devoted to residential use shall be exempt from said Assessments.

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.

ARTICLE IX. 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 or is no longer the owner of the Development Property, then the members of the Architectural Control Committee shall be appointed by the Executive Board from among the Owners. Initially, the Declarant appoints the following persons as the members of the Architectural Control Committee: SHARON K. NORDIC, GARY E. NORDIC, and WILLIAM VANHORN. In the event of a vacancy in the Architectural Control Committee, the Declarant shall have full authority to fill such vacancy.

(b) Purpose. The Architectural Control Committee is hereby 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. The members of the Architectural Control Committee may designate a representative to act for it.

(c) Compensation. The members of the Architectural Control Committee shall not be entitled to any compensation for services rendered pursuant to this Declaration, except for professional appointees, such as architects and those with special training or licenses to review residential building plans and landscaping plans associated therewith. Members of the Architectural Control Committee shall be reimbursed by the Association for all costs and expenses incurred in performing their duties pursuant to the terms of this Declaration, and professional appointees shall be compensated at their generally charged billing rate. In the event of a dispute as to who is a professional appointee and/or the fee to pay such professional appointee, the remaining Architectural Control Committee members shall make the determination and, in their failure, the Executive Board of the Association shall make that determination.

Section 2: Approval. No building, fence, wall, or other structure shall be erected, placed, or altered on any Lot until the plans and specifications, along with a plot plan, have been approved by the Architectural Control Committee, which plans and specifications shall, among other things, show the size and height of the structure; the type of exterior material, color, and finish; exterior design; existing structures, if any, and location of the structures with respect to utility lines and facilities, property lines, streets, topography, and finished grade. The applicant shall submit the proposed construction schedule. **All buildings shall be constructed within the area on the Lot as shown on Exhibit "D" attached hereto ("the Building Envelope"). Any modification to the Building Envelope shall be approved by the Architectural Control Committee after a review of the Lot and a showing of good cause by the applicant. The Architectural Control Committee shall advise the Town of Estes Park in writing of any modification to a Building Envelope and the reasons for the modification.** No building shall violate setback requirements of the E Estate Zoning, Town of Estes Park, Colorado. The Architectural Control Committee shall have the right to hire an architect or engineer to assist the committee in reviewing any plans or specifications submitted to the committee and the applicant shall be obligated to pay the fee of such architect or engineer.

The plan for all shrubs, plants, trees, gardens, playground areas, gazebos, privacy fences, and the like shall be approved by the Architectural Control Committee. Each owner shall be required to submit a landscape plan to the Committee for its files in the same manner as provided for building plans and specifications. All landscaping for lots on which a residence has been substantially completed between January 1 and August 30 of each year shall be landscaped in the same year; if the residence is completed after August 30, such landscaping shall be completed by May 31 of the following year. Prior to construction, every owner is responsible for maintaining his

vacant lot, including keeping said lot free of debris, trash, and weeds. It shall be the goal of the Architectural Control Committee to preserve the natural environment and native landscape with minimum emphasis on sculptured landscape with defined areas, uniformed lawns, shrubs, and sculptured features. Sculptured landscaping is not prohibited but should be discouraged in large areas.

The Architectural Control Committee shall have the right to establish rules and regulations specifying the procedures, standards, and guidelines for the appeal of any decision of the Committee. While the Declarant has the right to appoint members of the Architectural Control Committee, the Declarant shall approve any such rules and regulations prior to their use and implementation. If the Declarant has surrendered its right to appoint the Committee or there is no person acting as Declarant, and no person holding Declarant rights, the Executive Board shall approve all rules regulations prior to their use and implementation.

Approval by the Architectural Control Committee shall be in writing or indicated by endorsement on the plans and specifications submitted for approval. In the event the Architectural Control Committee fails to approve or disapprove the plans and specifications submitted to it by the Owner of a Lot within thirty (30) days after submission of the plans and specifications, then such approval shall not be required and shall be deemed to have been given. However, no building or other structure shall be erected or allowed to remain on any Lot which violates any of the covenants or restrictions herein contained. The issuance of a building permit or license by the Town of Estes Park, Colorado, or other governmental authority having jurisdiction over the Common Interest Community shall not prevent or prohibit the Architectural Control Committee or an Owner from enforcing the terms and provisions of this Declaration; and approval by the Architectural Control Committee of plans and specifications submitted to it shall not constitute any representation that such plans and specifications comply with applicable zoning ordinances or building codes.

The Architectural Control Committee may grant reasonable variances or adjustments of and to these conditions and restrictions by a majority vote of the Committee in order to overcome practical difficulties.

The Architectural Control Committee may establish guidelines by majority vote, subject to approval of the Declarant, from time to time as it feels will assist Lot Owners in selecting building materials and design criterion, and in meeting submittal requirements; and the Committee may establish privacy fence design and material guidelines.

Section 3: Construction. Construction of a Residence or other structure approved by the Architectural Control Committee shall commence within three (3) months after a building permit is issued by the Town of Estes Park, and the Owner shall thereafter proceed diligently with such construction. The exterior of any such 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. Upon approval of plans and specifications for the construction of a Residence on a Lot, if the Architectural Control Committee directs in writing, the Owner of the Lot shall deliver to the Architectural Control Committee an amount equal to Two Hundred Fifty Dollars ($250) to be held by the Architectural Control Committee as a clean-up deposit ("the Deposit"). The Deposit shall be returned to the Owner within thirty (30) days after the Residence or other structures has been completed and all excess debris removed from the Lot, streets, and adjacent Lots. If all excess debris has not been removed from the Lot, adjacent streets, and adjacent Lots within thirty (30) days after completion of construction, then the Architectural Control Committee shall have the right, but not the obligation, to enter upon the Lot if necessary and remove such excess debris from the Lot and other protected areas and deduct the cost of such removal from the Deposit. The balance of the Deposit, if any, shall be returned to the Owner within thirty (30) days after all excess debris has been removed from the Lot, adjacent streets, and adjacent Lots. If the Deposit is not adequate or if there is no deposit to clean the Lot, adjacent lots, and streets, the Lot on which the Residence or other structure is constructed may be assessed for the cost.

Section 4: Liability. The Architectural Control Committee shall not be liable to any Owner for any loss, cost, expense, or damage, including attorney's fees, suffered by such Owner as a result of any decision made by the Architectural Control Committee unless such action is taken in bad faith or with malice against an Owner. In the event any Owner sues the Architectural Control Committee or the Association and the Architectural Control Committee and/or the Association is not found to be at fault, the Architectural Control Committee and/or Association shall recover all of its attorney's fees, court costs, and other expenses incurred in the defense of the suit.

Section 5: Land Use and Building Type. No building or other structure shall be erected, altered, placed, or permitted to remain on any Lot other than one (1) single-family Residence per Lot, with attached garage, and one (1) detached garage.

Section 6: Building Sizes. No Residence shall be erected, altered, or permitted to remain on any Lot of the Real Estate unless the ground floor thereof, exclusive of basement, open

porches and garages, is not less than two thousand two hundred (2,200) square feet total for ranch-style single-story Residences; and for multi-level Residences there shall be a minimum of three thousand (3,000) square feet total, with a minimum of one thousand eight hundred (1,800) square feet on the ground floor level, or a minimum of two thousand two hundred (2,200) square feet on the ground floor level and no minimum requirement for the total square feet of Residences.

Section 7: Garages. Each Residence shall include an attached garage having space for not less than two (2) nor more than four (4) automobiles. Each Lot may also have a detached garage.

Section 8: Height of Buildings. No building shall exceed thirty-six (36) feet in height from the main floor foundation.

Section 9: Roof. The roof of each Residence shall have a minimum of 4/12 pitch and a minimum overhang of twelve (12) inches. The roof shall be constructed of wood shingles (cedar class A fire resistance), clay or concrete tile, slate, metal or minimum 350-pound 40-year asphalt/fiberglass or similar grade "shake look" shingles approved by the Architectural Control Committee, who may set written standards from time to time to adjust for new materials and Town of Estes Park Building Code requirements.

Section 10. Fences. The following special covenants shall apply to fences:

(a) Privacy fence attached to the Residence enclosing no more than two thousand five hundred (2,500) square feet.

(b) All fences shall be constructed in the manner and of the materials described by the Architectural Control Committee. Declarant, under its reserved rights, reserves the right for the Architectural Control Committee to alter and change the fence standards from time to time, which shall be in keeping with the Residence to which the fence is attached.

(c) There shall be no other fences than the approved privacy fences.

Section 11: Clotheslines. Any clothesline to be installed on the Real Estate must be approved by the Architectural Control Committee and located within the privacy-fenced area out of view from adjacent lots.

Section 12: Building Envelope. All Residences and other buildings shall be constructed within the Building Envelope designated by the Declarant. The Architectural Control Committee may grant variances after a review of the Lot and a showing of

good cause by the applicant. All buildings shall meet the setback requirements of the E Estate Zoning, Town of Estes Park, Colorado.

Section 13: 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.

In the consideration and approval process of the Architectural Control Committee concerning antennas, the Architectural Control Committee shall be guided by the Federal Communication Commission ("FCC") rules on satellite dishes and antennas. There shall be no covenant, rule, or similar restriction on property owned or within the exclusive use or control of the antenna user that impairs the installation, maintenance, or use of (1) an antenna designed to receive DBS that is one meter or less in diameter, (2) an antenna designed to receive video programming services via multi-point distribution services, including MMDS that is one meter or less in diameter or diagonal measurement, or (3) an antenna designed to receive television broadcast signals TVBS, is prohibited subject to either of the following two exceptions: (a) the restriction is necessary to accomplish a clearly defined safety objective that is readily available to antenna users and would be applied to the extent practicable in a nondiscriminatory manner to other appurtenances, devices or fixtures that are comparable in size, weight, and appearance and the restriction is no more burdensome to affected antenna users than is necessary to achieve the above objectives, or (b) the restriction is necessary to preserve an historic district listed or eligible for listing in the National Register of Historic Places and imposes no greater restrictions on antennas than are imposed on the installation, maintenance or use of other modern appurtenances, devices or fixtures that are comparable in size, weight, and appearance and is no more burdensome to affected antenna users than is necessary to achieve the objectives described above.

A regulation or restriction impairs installation, maintenance or use of an antenna if it:

(a) unreasonably delays or prevents installation, maintenance or use, or

(b) unreasonably increases the cost of installation, maintenance, or use, or

(c) precludes (prevents or makes impossible) reception of an acceptable quality signal.

No legal action of any kind shall be taken to enforce any restriction or regulation prohibited by FCC rule, except as follows:

(a) Associations may apply to the FCC for a waiver of the rule. The association must show a local concern of a highly specialized or unusual nature to justify a waiver.

(b) Associations or antenna users may petition the FCC or a local court (e.g., county or district court) to determine if a particular restriction is permissible or prohibited under this rule. The burden of proof to show that the restriction complies with the rule and does not impair installation, maintenance or use is on the association.

If an association has requested a determination from a court or the FCC on whether the restriction at issue is permitted as an exception for safety or historic preservation, the restriction may be enforced until a ruling is issued that the restriction is not preempted by the FCC rule. The FCC rule is adopted by this Declaration as the same may be amended from time to time.

Section 14: Design Scheme, Trim, Fascia, Exterior Vents, Vertical Support Posts, Furnace and Plumbing Vents, Color, Windows, Landscaping, Etc. Design scheme, trim, fascia, exterior vents, vertical support posts, furnace and plumbing vents, color, windows, landscaping, etc. shall be considered and controlled by the Architectural Control Committee to assure harmony of the Common Interest Community and its property values. The Architectural Control Committee may adopt detailed rules and regulations governing the different areas of the Common Interest Community to recognize the development objectives of each area, which rules and regulations need not be the same for all such areas. The use of wood, stone, and log will be encouraged. The mountain ambience shall be of prime consideration when approving building materials and colors. Dome, geodesic, pod, or A-frame designs shall not be allowed.

Section 15: Playhouses, Etc. No playhouse, playground equipment, such as swings and slides, or greenhouses shall be constructed on any Lot prior to approval of the Architectural Control Committee of the height, design, color, and location.

Section 16: Driveways. All driveways shall be hard-surfaced, concrete, or asphalt, unless otherwise approved by the Architectural Control Committee.

Section 17: Storage of Vehicles. Boats, campers, motor homes, trailers, machines, and inoperative automobiles shall not be stored or permitted to remain on any Lot, except within a fully-enclosed garage. For purposes of this provision, any disassembled or partially disassembled car, truck, or other

vehicle or any car, truck, or other vehicle which has not been moved under its own power for more than one (1) week shall be considered an inoperable automobile subject to the terms of this provision.

Section 18: 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 property 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 19: Residential Use. All Lots shall be used only for Residential Use as defined Section 25 of Article II of this Declaration.

Section 20: Household Pets. Household pets, two (2) dogs and two (2) cats, shall be permitted on any Lot, provided that said pets are confined by a privacy fence within the Lot or are properly trained and are at all times within the control of and controlled by the Owner. Household pets may not be kept, bred, or maintained on any Lot for commercial purposes. Other household pets, such as birds, fish, snakes, etc., may be kept if confined to the interior of the Residence or in the privacy-fenced area.

Section 21: Animals Other than Household Pets. Livestock, horses, cattle, swine, fowl, or poultry (other than household pets such as parrots and small birds) of any kind shall not be housed, raised, kept or left on any Lot.

Section 22: 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 23: 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.

ARTICLE X. PRIVATE DRIVES

Lots 8, 9, 10, and 45, THE RESERVE, FIRST FILING, shall have access to Coyote Run, a public street, by private drive perpetual easements ("the Private Drive") across Outlet D. Each Lot Owner shall be responsible for his fair share of the design, boundary description, construction, and maintenance of the driveway from Coyote Run to his Lot. For example, for the distance that Lots 8, 9, and 10 share the common drive each would pay one-third (1/3) of that cost and expense. If Lots 9 and 10 then share another part of the common drive they would each pay one-half (1/2) of that cost and expense. To the extent that a Lot is the only user of the driveway that Lot shall pay all the cost and expense for that area of exclusive use. Further, Lot 45 is granted a permanent easement for ingress and egress from the joint drive crossing Outlot D across Lot 10 as shown on the Plat. To the extent that Lot 10 and Lot 45 use the driveway easement on Lot 10, they each shall pay their proportionate share based on the right to use the drive, the cost of the design, construction, and maintenance.

ARTICLE XI. DRAINAGE

Section 1: Moisture. Each Owner of a Lot shall use his or her best efforts to assure that the moisture content of those soils supporting the foundation and the concrete slabs forming a part of the Residence constructed thereon remain stable and shall not introduce excessive water into the soils surrounding the Residence.

Section 2: Grading. Each Owner of a Lot shall maintain the grading and drainage patterns of the Lot as indicated in the subdivision plans on file with the Planning Office of Estes Park, Colorado.

Section 3: Action by Owner. To accomplish the foregoing, each Owner of a Lot covenants and agrees, among other things:

(a) Not to install improvements, including, but not limited to, landscaping, items related to landscaping, walls, walks, driveways, parking pads, patios, fences, additions to the

Residence, outbuildings, or any other item or improvement which will change the grading of the Lot. The installation of such improvements is acceptable so long as the manner of installation is consistent with, and does not change, the grading and drainage patterns of the Lot.

(b) To fill with additional soil any back-filled areas adjacent to the foundation of the Residence and in or about the utility trenches on the Lot in which settling occurs to the extent necessary from time to time to maintain the grading and drainage patterns of the Lot.

(c) **Not** to water the lawn or other landscaping on the Lot excessively.

(d) **Not** to plant flower beds (especially annuals) and vegetable gardens adjacent to or within three (3) feet of the foundation and slabs of the Residence.

(e) If evergreen shrubbery and grass is used within five (5) feet of the foundation walls, to water the shrubbery and grass by controlled hand watering and to avoid excessive watering.

(f) To minimize or eliminate the installation of piping and heads for sprinkler systems within five (5) feet of foundation walls and slabs.

(g) To install any gravel beds in a manner which will assure that water will not pond in the gravel areas, whether due to nonperforated edging or due to installation of the base of the gravel bed at a lever lower than the adjacent lawn.

(h) To install a moisture barrier (such as polyethylene) under any gravel beds.

(i) To maintain the gutters and down spouts which discharge water into extensions or splash blocks by assuring that (i) the gutters and down spouts remain free and clear of all obstructions and debris; (ii) the water that flows from the extension or the splash block is allowed to flow rapidly away from the foundation and/or slabs; and (iii) the splash blocks are maintained under sill cocks.

(j) To recaulk construction joints opening up between portions of the exterior slabs and garage slabs in order to thereby seal out moisture.

Section 4: Disclaimer. The Declarant shall not be liable for any loss or damage to the Residence caused by, resulting from, or in any way connected with soil conditions on any Lot.

ARTICLE XII. 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 3 of this Article XII.

(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 any greater Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right:

(1) Voting rights.

(2) Assessments, assessment liens, or priority of assessment liens.

(3) Reserves for maintenance, repair, and replacement of Common Elements.

(4) Responsibility for maintenance and repairs.

(5) 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.

(6) Convertibility of Lots into Common Elements or Common Elements into Lots.

(7) 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.

(8) Insurance or fidelity bonds.

(9) Leasing of Lots.

(10) Imposition of any restrictions on a Lot Owner's right to sell or transfer his Lot.

(11) A decision by the Association to establish self-management when professional management had been required previously by the Declaration or any Mortgagee.

(12) Restoration or repair of the Common Elements after a hazard damage or partial condemnation in a manner other than that specified in the Declaration.

(13) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation of the Common Elements.

(14) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

(b) Actions. Notwithstanding any other 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, 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 approval by sixty-seven percent (67%) of the votes of 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 the Declaration or by a Mortgagee.

(5) Restoration or repair of the Common Elements after a hazard damage or partial condemnation in a manner other than specified in the Declaration.

(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.

(8) Any action taken not to repair or replace the Common Elements.

(c) 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.

(d) 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 must 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 sixty (60) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant only if required by the Act.

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 therefor from the Association.

ARTICLE XIII. 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.

Section 4: Management of the Common Areas. The Association may obtain and pay for the services of a managing agent to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper management, operation, and maintenance of the Common Elements; provided, however, that any contract in regard to the hiring or employing of such a managing agent or other personnel shall not be for a term in excess of three (3) years and shall provide that the same shall terminate on sixty (60) days' written notice, with or without cause, and without payment of any termination fee.

Section 5: Attorney's Fees. In addition to any attorney's fees the Association may recover in the collection of past due assessments, suits against the Architectural Control Committee, and/or suits concerning a violation of The Pleasant Valley and

Lake Canal Company agreement, in the event of any other suit by an Owner against the Association in which the Owner fails to prove his or her claim, the Association amy recover from the Owner all of its attorney's fees, costs, and expenses.

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

NORDIC CONSTRUCTION & DEVELOPMENT, INC., a Colorado corporation

By _____
Gary E. Nordic, President

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 9 day of October, 1996, Gary E. Nordic as president of Nordic Construction & Development, Inc., a Colorado corporation.

Stephanie Stover
Notary Public
My commission expires: 11/28/98

STEPHANIE STOVER NOTARY PUBLIC STATE OF COLORADO

The undersigned mortgage holder consents to this Declaration this 9th day of October, 1996.

FIRST NATIONAL BANK

By _____
Authorized Officer

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 9th day of October, 1996, by _____, as _____ of FIRST NATIONAL BANK.

_____
Notary Public
My commission expires: _____

37

EXHIBIT "A"

Legal Description of the Real Estate

Lots 1 through 12, Lot 23, and Lots 35 through 43, THE RESERVE, FIRST FILING, located in the East one-half (1/2) of Section 19, Township 5 North, Range 72 West of the 6th P.M., county of Larimer, state of Colorado.

THIS DOCUMENT WAS MICROFILMED
AS COMPLETELY AS POSSIBLE.

[redacted]

EXHIBIT "B"

TRACT 1, STORER RANCH, A PORTION OF THE EAST 1/2 OF SECTION 19, TOWNSHIP 5 NORTH, RANGE 72 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF LARIMER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CN 1/16 CORNER OF SECTION 19, TOWNSHIP 5 NORTH, RANGE 72 AS MONUMENTED BY A BRASS CAPPED PIPE #6499, WITH ALL BEARINGS HEREIN RELATIVE TO THE EAST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 19 AS BEARING NORTH 01 DEGREES 08 MINUTES 00 SECONDS EAST; THENCE ALONG THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4 SOUTH 88 DEGREES 57 MINUTES 07 SECONDS EAST 1187.98 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 39 DEGREES 42 MINUTES 49 SECONDS WEST 664.52 FEET; THENCE SOUTH 57 DEGREES 18 MINUTES 58 SECONDS WEST 104.77 FEET; THENCE NORTH 84 DEGREES 52 MINUTES 59 SECONDS WEST 475.00 FEET; THENCE SOUTH 05 DEGREES 07 MINUTES 01 SECONDS WEST 217.28 FEET; THENCE NORTH 88 DEGREES 40 MINUTES 30 SECONDS WEST 199.62 FEET TO THE WEST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG SAID WEST LINE SOUTH 01 DEGREES 19 MINUTES 28 SECONDS WEST 571.07 FEET TO THE C 1/4 CORNER OF SAID SECTION 19 AS MONUMENTED BY A BRASS CAPPED PIPE #6499; THENCE ALONG THE WEST LINE OF NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 19 SOUTH 01 DEGREES 19 MINUTES 32 SECONDS WEST 999.19 FEET TO THE NORTHERLY RIGHT OF WAY OF U.S. HIGHWAY #34; THENCE ALONG SAID RIGHT OF WAY NORTH 78 DEGREES 31 MINUTES 41 SECONDS EAST 12.26 FEET; THENCE SOUTH 09 DEGREES 43 MINUTES 00 SECONDS EAST 20.20 FEET; THENCE ALONG A NONTANGENT CURVE CONCAVE TO THE SOUTH WITH A DELTA ANGLE OF 20 DEGREES 31 MINUTES 13 SECONDS, RADIUS OF 1979.90 FEET, AN ARC LENGTH OF 709.10 FEET, AND A CHORD OF SOUTH 89 DEGREES 18 MINUTES 45 SECONDS EAST 705.31 FEET; THENCE NORTH 86 DEGREES 56 MINUTES 46 SECONDS EAST 125.58 FEET; THENCE ALONG A NONTANGENT CURVE CONCAVE TO THE SOUTH WITH A DELTA ANGLE OF 01 DEGREES 44 MINUTES 01 SECONDS, RADIUS OF 2020.00 FEET, AN ARC LENGTH OF 61.12 FEET, AND A CHORD OF SOUTH 70 DEGREES 19 MINUTES 49 SECONDS EAST 61.12 FEET; THENCE SOUTH 70 DEGREES 25 MINUTES 07 SECONDS EAST 126.61 FEET; THENCE SOUTH 56 DEGREES 02 MINUTES 45 SECONDS EAST 82.13 FEET; THENCE LEAVING SAID RIGHT OF WAY ALONG THE WEST BOUNDARY OF THE STORER RANCH ADDITION TO THE TOWN OF ESTES PARK, COLORADO NORTH 20 DEGREES 20 MINUTES 47 SECONDS EAST 929.74 FEET TO THE NORTHWEST CORNER OF SAID STORER RANCH ADDITION; THENCE ALONG THE NORTH BOUNDARY OF SAID ADDITION SOUTH 89 DEGREES 11 MINUTES 06 SECONDS EAST 601.26 FEET; THENCE LEAVING SAID NORTH BOUNDARY NORTH 49 DEGREES 07 MINUTES 13 SECONDS EAST 341.77 FEET; THENCE NORTH 25 DEGREES 04 MINUTES 51 SECONDS EAST 330.56 FEET; THENCE NORTH 01 DEGREES 23 MINUTES 53 SECONDS EAST 330.37 FEET; THENCE NORTH 22 DEGREES 35 MINUTES 46 SECONDS WEST 300.63 FEET; THENCE SOUTH 67 DEGREES 24 MINUTES 14 SECONDS WEST 232.25 FEET; THENCE SOUTH 02 DEGREES 36 MINUTES 25 SECONDS EAST 162.82 FEET; THENCE ALONG A NONTANGENT CURVE CONCAVE TO THE SOUTH WITH A DELTA OF 72 DEGREES 00 MINUTES 13 SECONDS, A RADIUS OF 50.00 FEET, AN ARC LENGTH OF 62.83 FEET, AND A CHORD OF SOUTH 51 DEGREES 23 MINUTES 28 SECONDS WEST 58.78 FEET; THENCE NORTH 74 DEGREES 36 MINUTES 30 SECONDS WEST 184.31 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST 237.45 FEET; THENCE SOUTH 36 DEGREES 38 MINUTES 25 SECONDS WEST 136.51 FEET; THENCE SOUTH 86 DEGREES 23 MINUTES 47 SECONDS WEST 172.37 FEET; THENCE NORTH 88 DEGREES 23 MINUTES 00 SECONDS WEST 349.71 FEET; THENCE SOUTH 63 DEGREES 02 MINUTES 37 SECONDS WEST 175.64 FEET; THENCE SOUTH 34 DEGREES 28 MINUTES 15 SECONDS WEST 525.01 FEET; THENCE SOUTH 12 DEGREES 27 MINUTES 48 SECONDS WEST 201.91 FEET; THENCE SOUTH 20 DEGREES 20 MINUTES 47 SECONDS WEST 611.86 FEET TO THE NORTHERLY RIGHT OF WAY OF U.S. HIGHWAY #34; THENCE ALONG SAID RIGHT OF WAY ON A NONTANGENT CURVE CONCAVE TO THE SOUTH WITH A DELTA OF 11 DEGREES 20 MINUTES 24 SECONDS, A RADIUS OF 1979.90 FEET, AN ARC LENGTH OF 391.86 FEET, AND A CHORD OF NORTH 84 DEGREES 44 MINUTES 45 SECONDS WEST 391.22 FEET; THENCE LEAVING SAID RIGHT OF WAY NORTH 01 DEGREES 18 MINUTES 30 SECONDS WEST 87.14 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 28 DEGREES 50 MINUTES 15 SECONDS, A RADIUS OF 170.00 FEET, AN ARC LENGTH OF 85.56 FEET, AND A

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34

CHORD OF NORTH 12 DEGREES 11 MINUTES 37 SECONDS EAST 84.66 FEET; THENCE NORTH 24 DEGREES 29 MINUTES 58 SECONDS EAST 195.18 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 25 DEGREES 48 MINUTES 29 SECONDS, A RADIUS OF 230.00 FEET, AN ARC LENGTH OF 103.60 FEET, AND A CHORD OF NORTH 11 DEGREES 35 MINUTES 44 SECONDS EAST 102.73 FEET; THENCE NORTH 01 DEGREES 18 MINUTES 30 SECONDS WEST 150.00 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 59 DEGREES 23 MINUTES 23 SECONDS, A RADIUS OF 170.00 FEET, AN ARC LENGTH OF 176.21 FEET, AND A CHORD OF NORTH 28 DEGREES 23 MINUTES 11 SECONDS EAST 168.43 FEET; THENCE NORTH 58 DEGREES 04 MINUTES 52 SECONDS EAST 214.74 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 51 DEGREES 19 MINUTES 46 SECONDS, A RADIUS OF 530.00 FEET, AN ARC LENGTH OF 474.81, AND A CHORD OF NORTH 32 DEGREES 24 MINUTES 59 SECONDS EAST 459.09 FEET; THENCE NORTH 06 DEGREES 45 MINUTES 06 SECONDS EAST 223.61 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 32 DEGREES 57 MINUTES 43 SECONDS, A RADIUS OF 270.0 FEET, AN ARC LENGTH OF 155.33 FEET, AND A CHORD OF NORTH 23 DEGREES 13 MINUTES 58 SECONDS EAST 153.20 FEET; THENCE SOUTH 50 DEGREES 17 MINUTES 11 SECONDS EAST 225.00 FEET; THENCE NORTH 39 DEGREES 42 MINUTES 49 SECONDS EAST 406.02 FEET; THENCE SOUTH 88 DEGREES 56 MINUTES 00 DEGREES EAST 427.76 FEET; THENCE NORTH 01 DEGREES 04 MINUTES 00 SECONDS EAST 193.15 FEET; THENCE NORTH 70 DEGREES 29 MINUTES 46 SECONDS WEST 145.57 FEET; THENCE ALONG A NONTANGENT CURVE CONCAVE TO THE WEST HAVING A DELTA OF 38 DEGREES 22 MINUTES 54 SECONDS, A RADIUS OF 50.00 FEET, AN ARC LENGTH OF 33.49 FEET, AND A CHORD OF NORTH 00 DEGREES 18 MINUTES 47 SECONDS EAST 32.87 FEET; THENCE NORTH 71 DEGREES 07 MINUTES 20 SECONDS EAST 216.96 FEET; THENCE NORTH 14 DEGREES 32 MINUTES 57 SECONDS WEST 175.05 FEET TO THE NORTH LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 19; THENCE ALONG SAID NORTH LINE NORTH 88 DEGREES 53 MINUTES 29 SECONDS WEST 558.07 FEET TO THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4 OF THE NORTHEAST 1/4; THENCE ALONG THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 19 128.72 FEET TO THE TRUE POINT OF BEGINNING, COUNTY OF LARIMER, STATE OF COLORADO.

EXCEPT THE FOLLOWING DESCRIBED PROPERTY, TO WIT:

Lots 1 through 12, Lot 23, and Lots 35 through 43, THE RESERVE FIRST FILING, located in the East one-half (1/2) of Section 19, Township 5 North, Range 72 West of the 6th P.M., county of Larimer, state of Colorado.

35

EXHIBIT "C"

1. The right of the proprietor of a vein or lode to extract or remove his ore, should the same be found to penetrate or intersect the premises thereby granted and rights-of-way for ditches and canals as reserved in United States Patent recorded May 11, 1885, in Book 32 at Page 433, and November 15, 1899, in Book 133 at Page 48, and any and all assignments thereof or interest therein.

2. An easement for telephone and telegraph lines and incidental purposes granted to Mountain States Telephone and Telegraph Company by the instrument recorded September 3, 1948, in Book 861 at Page 107, upon the terms and conditions set forth in the instrument.

3. Terms, conditions, provisions, agreements, and obligations specified under the Property Line Agreement recorded August 12, 1986, at Reception No. 86044247.

4. Restrictions imposed by the Findings and Resolution concerning the Petition of Northend Property Owners recorded October 22, 1992, at Reception No. 92066187 pertaining to zoning.

5. Special attention is called to the use of the Common Interest Community prime wild game habitat and the desire of the Town of Estes Park to provide that the development and construction of improvements upon the property do not unreasonably interfere with the migration and feeding of wild game animals. Such consideration has been given in the layout of lots, the designation of building envelopes, and the restrictions on fences. See "Fences" , ARTICLE IX, Section 10, which is designed to create open space and corridors for animal movement. Further attention is directed to Exhibit "D" showing the building envelopes on the real estate. Please review the architectural control requirements and the procedures set forth for modification to the designated building envelopes.

6. Special attention is directed to the private drives serving Lots 8, 9, and 10 as set forth in ARTICLE X. Please note that design, legal description of road easements, construction, and maintenance of the driveway is the responsibility of the Lot Owners, and the Declarant and the Town of Estes Park are not responsible for any of these costs or expenses. Further, the Town of Estes Park is not responsible for the maintenance of this private drive, which includes snow removal.

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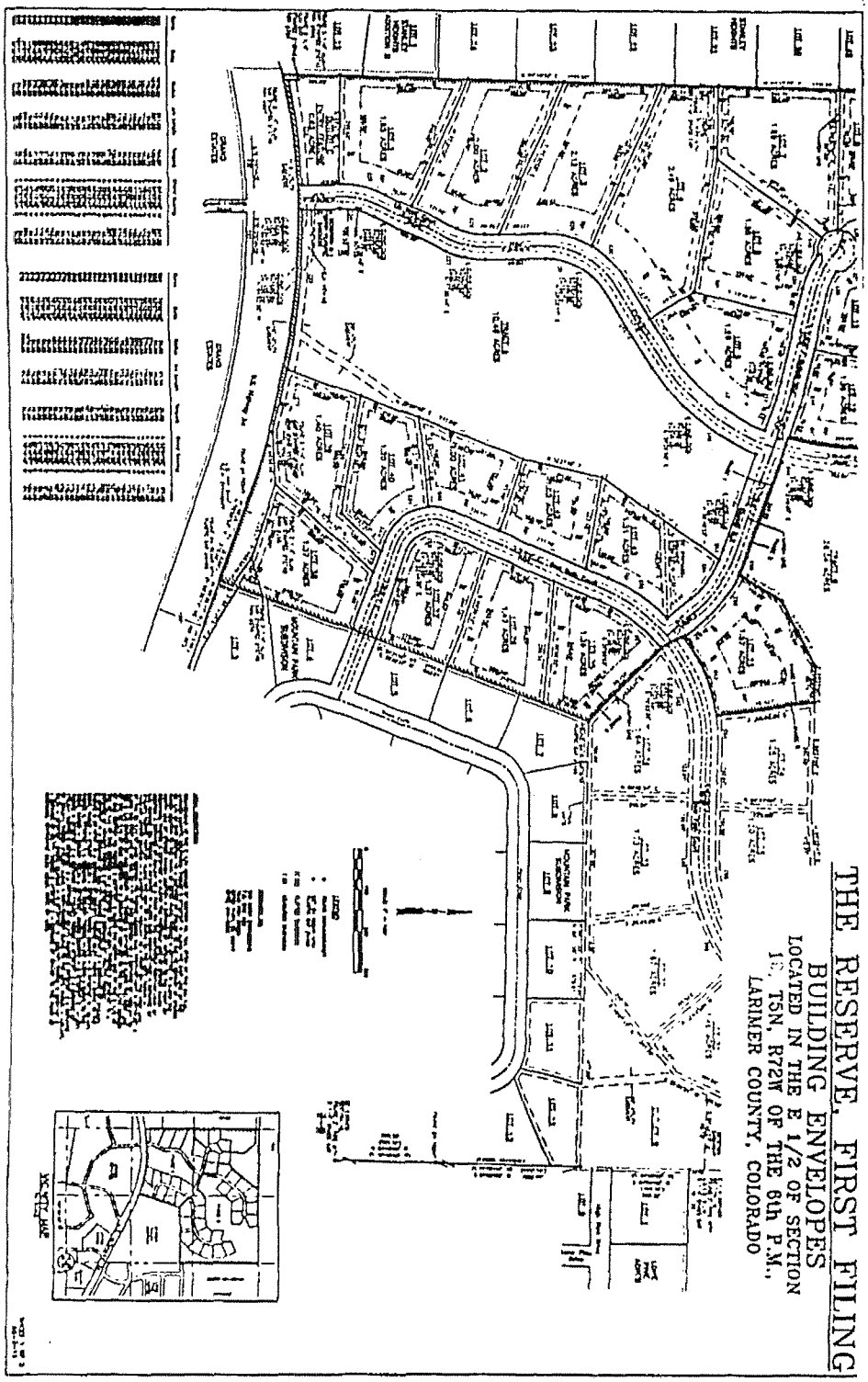
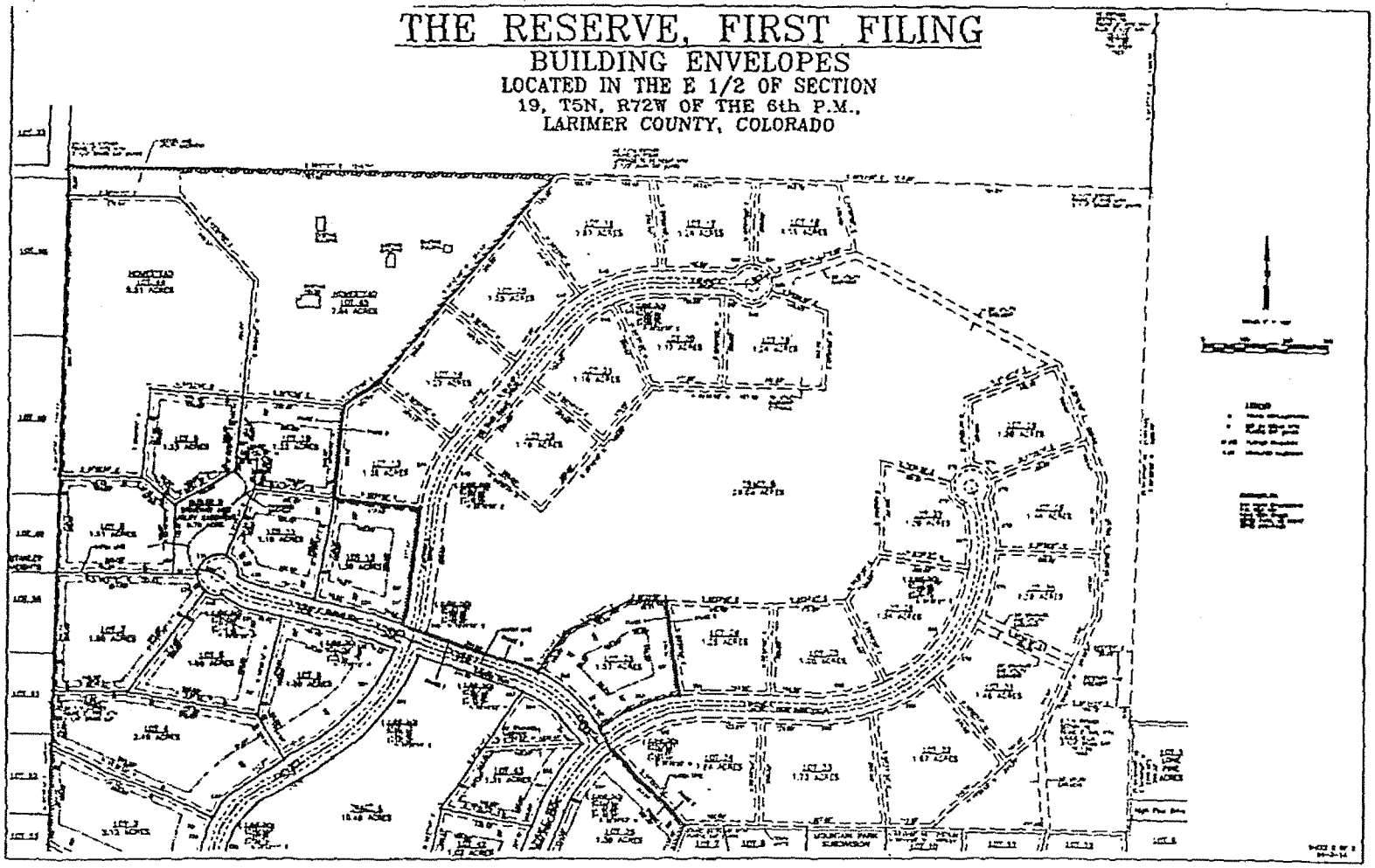
EXHIBIT "D"



THE RESERVE, FIRST FILING

BUILDING ENVELOPES

LOCATED IN THE E 1/2 OF SECTION
19, T5N, R72W OF THE 6th P.M.,
LARIMER COUNTY, COLORADO



37/80