



DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS

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THE RESERVE AT MARIANA BUTTE

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE RESERVE AT MARIANA BUTTE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS hereinafter designated "Declaration" is made as of the 17th day of January, 2002, by Cedar Valley Ltd., a Colorado limited partnership; hereinafter designated "Declarant".

RECITALS

A. The Declarant is the record owner of certain real property located in Larimer County, Colorado hereinafter designated "Property" described more particularly on "Exhibit A" attached hereto, made a part hereof and incorporated herein by reference. The Declarant desires to create thereon an exclusive residential community for the benefit of said community through the granting of specific rights, privileges, and easements of enjoyment which may be shared and enjoyed by all residents thereof.

B. The Declarant desires to ensure the attractiveness of the individual Lots and community facilities within the Property, to prevent any future impairment thereof, to prevent nuisances, and to preserve, protect, and enhance the values and amenities of the Property. In order to achieve this, the Declarant is desirous of subjecting the Property to the covenants, conditions, restrictions, easements, charges, and liens set forth herein, each and all of which are for the benefit of the Property and each owner thereof.

C. The Declarant further intends that any open spaces, natural areas, the islands within the public right of ways, and any recreational facilities such as tennis courts and swimming pool which may be owned and maintained for the benefit of the residents of the Property, and such areas are hereinafter designated "General Common Properties".

D. The Declarant has deemed it desirable to create a legal entity in order to preserve, protect and enhance the values and amenities in the Property, and to insure the resident's enjoyment of the specific rights, privileges, and easements in the General Common Properties, which shall be delegated and assigned the powers of owning, maintaining, and administering all or various portions of the General Common Properties, and also administering and enforcing the provisions of this Declaration, together with collecting, disbursing, and accounting for the assessments and charges herein contemplated. To this end, the Declarant has caused The Reserve at Mariana Butte Homeowners' Association, Inc., to be incorporated under the laws of the State of Colorado as a nonprofit corporation for the purpose of exercising the aforesaid functions with respect to the Property, as hereinafter described.

E. The Declarant further intends to preserve the continuity of landscaping between residential lots and the golf course, natural areas, open spaces, and along streets, and to provide an atmosphere of openness and spaciousness in the subdivision.

NOW THEREFORE, the Declarant declares that the Property is and shall be held, transferred, sold, conveyed, leased and occupied subject to the covenants, conditions, restrictions, easements, charges, liens, and rights, hereinafter set forth, all of which shall run with the land.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any supplementary declarations (unless the context shall prohibit or there shall be a specific statement to the contrary) shall have the following meanings:

(a) “Association” shall mean and refer to The Reserve at Mariana Butte Homeowners' Association, Inc., a Colorado non-profit corporation.

(b) “Delineation” shall mean and refer to distinguishing a Lot Line in such a way as to make a person aware of the limits or boundary of a Lot.

(c) “Directors” shall mean and refer to the Board of Directors for The Reserve at Mariana Butte Homeowners' Association.

(d) “Courtyard Wall” shall mean and refer to an exterior wall constructed to provide privacy or protection, provide screening of unsightly equipment, contain pets or children, or enclose a swimming pool. The wall is to be constructed of the same materials used in the construction of the exterior of the dwelling and attached to the dwelling.

(e) “General Common Properties” shall mean and refer to all land improvements, and other properties heretofore or hereafter owned or in the possession of or maintained by the Association, and shall include, but not be limited to, the property shown on the recorded plat.

(f) “Ground Cover” shall mean and refer to all rock, gravel, wood chips, mulch or similar ground covering used in landscaping of a Lot.

(g) “Lawn” shall mean and refer to the landscaping turf composed of either sodded or seeded grasses, usually consisting of a blend of bluegrass or rye grass.

(h) “Lienor” shall mean and refer to the holder of any lien on the Property at the time this Declaration is recorded in the real property records of the County of Larimer, Colorado.

(i) “Lot” shall mean and refer to any of the lots shown on the recorded plat of the Property on which there may only be a single family detached dwelling including a garage.

(j) “Lot Line” shall mean and refer to any segment of the boundary line encompassing a Lot.

(k) “Natural Area” shall mean and refer to any non-irrigated parcel of land within or adjacent to the Property.

(l) “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot situated within the Property which is subject to this Declaration, but notwithstanding any applicable theory relating to mortgages, deeds of trust, or other liens or encumbrances upon any such property. Owner shall not include or refer to a mortgagee, beneficiary of a deed of trust, or lien holder unless and until such party has acquired title pursuant to foreclosure or any applicable procedure in lieu of foreclosure.

(m) “Property” shall mean and refer to the property which is described on Exhibit A attached hereto and made a part hereof.

(n) “Show Home” shall mean and refer to a dwelling used for the purposes of the sale of similar dwellings constructed or to be constructed in residential developments other than the Property or for other homes within the Property.

(o) “Tree Lawn” shall mean and refer to the area within a right-of-way lying between a sidewalk and the back of the curb bordering a street.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership and Voting Rights. The definition of Membership in the Association and voting rights in the Association shall be those as defined in the Articles of Incorporation and the Bylaws of the Association.

ARTICLE III

PROPERTY RIGHTS IN THE GENERAL COMMON PROPERTIES

Section 1. Members' Easements and Rights of Enjoyment. Subject to the provisions hereinafter set forth in this Article III, every member of the Association shall have a right and easement of enjoyment in and to the General Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot within the Property which is subject to these Covenants and Restrictions.

Section 2. Title to General Common Properties. The Declarant may retain the legal title to any portion of the Property to be conveyed to the Association and to be designated as General Common Properties until such time as it has completed improvements thereon and until such time as in the opinion of the Declarant, the Association is able to maintain the same, but notwithstanding the foregoing, the Declarant hereby covenants that it shall convey all of its interest in and to the said property to the Association not later than thirty days after the date of termination of its Class B membership.

Section 3. Lack of Property. In the event there are no General Common Properties in the Subdivision, then this Article III shall not be effective.

Section 4. Liability Insurance. The Association shall carry such liability insurance insuring against injury to persons or property as a result of the use of the General Common Properties as the Association deems appropriate.

ARTICLE IV

COVENANTS FOR MAINTENANCE AND ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot within the Property, other than the Declarant, by acceptance of any deed thereof, whether or not it shall be expressed therein, or by acceptance of any other conveyance thereof (except a conveyance in connection with the establishment of a mortgage) shall be deemed to covenant and agree to pay to the Association: (1) annual assessments; (2) special assessments for capital improvements or maintenance thereof; (3) special assessments in connection with an Owner's failure to perform the required exterior maintenance or improvement of his Lot; and (4) special assessments to provide for costs incurred by virtue of unforeseen emergencies. The Declarant shall not be obligated to pay any annual or special assessments for any Lot owned by the Declarant within the Property for a period of ten (10) years from the date this Declaration is recorded. The annual assessment or charges may, at the discretion of the Directors, include a reserve for: future capital improvements to the General Common Properties and exterior maintenance as provided for in Section 5 of this Article IV. All assessments herein provided for shall be assessed by the Association. The annual assessment shall be levied on an annual basis, and a special assessment may be levied from time to time when and as determined by the Directors in accordance with its Bylaws. All the assessments described above, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made, subject to foreclosure in accordance with applicable law, but any such lien shall be subordinate to any valid mortgages or deeds of trust affecting such property. Each assessment, together with such interest

thereon and costs of collection thereof shall also be the personal obligation of the person or persons who are the owner(s) of such property at the time when the assessments become due, and in the event that there is more than one owner thereof, such obligations shall be joint and several.

Section 2. Purpose of and Use of Annual Assessments or Charges. The annual assessments or charges levied under this Article IV as provided for in Section 1 above shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Property, and in particular: (1) for the acquisition of improvements to and maintenance of the General Common Properties including, but not limited to, the payment of taxes and insurance thereof, and the repair, replacement and additions thereof, and the cost of labor, equipment and materials, management and the supervision thereof; and (2) for the provision of services to the Owners, including, but not limited to, garbage and trash collection, security services and for such other needs of the Association and Owners as may arise, including a reasonable provision for contingencies and replacements. It shall be the obligation of the Association to keep the General Common Properties in good condition and to properly maintain the same.

Section 3. Special Assessments for Capital Improvements and Emergencies. In addition to the annual assessments described 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 or reconstruction; any unexpected repair or replacement of a described capital improvement upon the General Common Properties, including the necessary fixtures and personal property related thereto; and any construction or reconstruction, unexpected repair or replacement, including land rehabilitation and restoration, due to any emergencies. The special assessments provided for hereunder shall be limited to the annual sums described in Section 4 of this Article IV.

Section 4. Capital Contribution for Improvements, Repairs, and Replacements. In addition to the annual or special assessments described above, the Association may levy assessments for capital contributions in any assessment year, either as part or aside as a reserve for future capital expenditures, including but not limited to, major repairs to or replacements of improvements located on the General Common Properties. Any funds so collected shall be designated by the Directors as capital contributions to the Association to be utilized solely for the purposes aforesaid. The special assessment described in Section 3 of this Article IV and the capital contribution described in this Section 4 shall be determined and set by a majority vote of the Directors.

Section 5. Due Date of Commencement and Determination of Annual Assessments and Deposit. The annual assessments provided herein shall commence and be paid on such dates as is specified in the Bylaws of the Association and any Supplementary Declaration hereto affecting a particular parcel of property brought within the scheme of this Declaration. Assessments shall be on a full calendar year basis. At least thirty (30) days in advance of each calendar year, the Directors shall fix the amount of the annual assessment against each Lot by estimating the net charges and expenses to be incurred by the Association for the purposes set forth in this Declaration. The annual assessment shall be due and payable as determined by the Directors. One Hundred Dollars (\$100.00) shall be deposited with the Association at the time of the first conveyance of any Lot from the Declarant to any purchaser thereof, and which deposit shall not bear interest and may be retained by the Association as working capital and as security for the payment of annual and special assessments. The annual and special assessments shall be in such amounts as are fixed by the Directors as aforesaid, and shall be without limitation. Separate due dates may be established by the Directors for special assessments, as defined hereunder, as long as such dates are set thirty (30) days in advance of such special assessments and shall be paid in a manner determined by the Directors. Written notice of the annual and any special assessments shall be sent to every owner subject thereto as soon as the amounts are determined.

Section 6. Effect of Non-Payment of Assessments and Personal Liability of Owner. If an assessment is not paid on the date when due (being the date specified in Section 5 of this Article IV), then such assessment shall become delinquent and shall, thereof, as hereinafter provided, thereupon become a continuing lien on the property in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns. In addition to the lien rights, it shall be the personal obligation of the then Owner to pay such assessment and such personal obligation shall continue even though the Owner's interest in the property shall be transferred. If the

assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date, at the rate of fifteen percent (15%) per annum, and the Association may bring legal action against the Owner personally obligated to pay the same, or foreclose the lien against the property and there shall be added to the amount of such assessment all costs incurred by the Association in foreclosing the lien or in collecting the amount owing, including any reasonable attorney's fees.

Section 7. Proration of Expenses. Each Owner shall pay a pro rata share of the common expenses based upon the number of lots as shown on the recorded plat as of the date of assessment, except as provided in Article IV.

Section 8. Fines. The Association shall have the right to charge an Owner a fine for the violation of these covenants or the violation of any rules and regulations issued by the Association pursuant to Article VII, Section 4 of these covenants. The Association shall also have the right to charge the Owner for any common expense caused by misconduct of such Owner, in which event such expense or any fine as herein before described may be assessed exclusively against such Owner. The Association shall have the right to impose a lien for any such expense or fines that are not paid when due. Said lien shall include court costs, reasonable attorneys and or other costs incurred by the Association in collecting said expense or fine.

Section 9. Subordination of the Lien to Mortgages. As provided aforesaid, the lien of the assessments provided for herein shall be subordinate to the lien of any mortgages or deeds of trust now or hereafter placed upon the property subject to assessment; provided, however, such subordination shall apply only to the assessments which have become due and payable prior to the sale or transfer of such property pursuant to a decree of foreclosure, or other proceeding in lieu of foreclosure. Such sale or transfer shall not release such-property from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessments.

ARTICLE V

APPROVAL OF PLANS

Section 1. Architectural Review Committee.

(a) There is hereby established an Architectural Review Committee consisting of three (3) members. All of the members shall be appointed by the Declarant so long as the Declarant retains a Class B membership in the Association. Upon termination of the Declarant's Class B membership, the Architectural Review Committee shall be appointed by the Directors of the Association and may include as members, the officers, directors or employees of Declarant. The vote of a majority of members shall constitute the action of the Architectural Review Committee. The Architectural Review Committee shall have the right to employ consultants to assist in the performance of its functions hereunder and members of the Architectural Review Committee may receive reasonable compensation for services rendered.

(b) No dwelling or other improvement shall be constructed, erected, placed, altered, maintained or permitted on any Lot or on the General Common Properties, nor shall any construction or excavation whatsoever be commenced or materials, equipment or construction vehicles be placed on any Lot owned by any person or entity other than Declarant until plans and specifications with respect thereto (in manner and form satisfactory to the Architectural Review Committee showing the proposed improvements, plot layout and all exterior elevations, materials and colors, landscaping, grading, easements and utilities, and such other information as may be requested by said Committee) have been submitted to and been approved in writing by the Architectural Review Committee. Such plans and specifications shall be submitted in writing and be signed by the Owner or the Owner's authorized agent. The Architectural Review Committee shall have the right to charge persons submitting such plans, other than Declarant or the Association, a reasonable fee for reviewing each application for approval of the plans and specifications.

(c) Architectural Review Committee approval shall be based on, among other things: suitability of exterior design, colors, and materials, relation of the proposed improvements to the natural topography, grade, and finished ground elevation; relation of the structure to that of neighboring structures and natural features of the Property; and conformity of the plans and specifications to the purpose and general plan and intent of these restrictions. The Architectural Review Committee shall not arbitrarily or unreasonably withhold its approval of such plans and specifications. Further, the Architectural Review Committee may approve plans which vary from the requirements of this declaration if the Architectural Review Committee finds:

- (1) That such variance will serve the purposes of this Declaration;
- (2) That such variance will not harm or damage the value of any other Lot or the General Common Properties; and
- (3) That such variance is in compliance with the applicable zoning code for the City of Loveland, Colorado.

(d) If the Architectural Review Committee fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within thirty (30) days after the same have been submitted to it (provided that all required information has been submitted), it shall be conclusively presumed that said plans and specifications have been approved subject, however, to the restrictions contained in Article VI hereof. The Architectural Review Committee shall notify the Owner in Writing upon receipt of all required plans and specifications and the aforesaid thirty (30) day period shall commence on the date of such notification.

(e) Neither the Architectural Review Committee, nor the Declarant, nor their respective successors or assigns, shall be liable in damages to anyone submitting plans to the Architectural Review Committee for approval, or to any Owner affected by this Declaration, by reason of mistake in judgement, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans and specifications. Every Owner or other person who submits plans to the Architectural Review Committee for approval agrees, by submission of such plans and specifications, that he will not bring any action or suit against the Architectural Review Committee or Declarant to recover any such damages. Approval by the Architectural Review Committee shall not be deemed to constitute compliance with the requirements of any required building codes, and it shall be the responsibility of the Owner or other person submitting plans to the Architectural Review Committee to comply therewith.

(f) Until termination of its Class B membership in the Association, the Declarant in its own name and on behalf of the Architectural Review Committee shall have the right to enforce the provisions of this Declaration. Additionally, until the date aforesaid, at the request of the Declarant or at the request of the Architectural Review Committee at any time during the duration of this Declaration, the Association shall have the right to enforce the provisions of this Declaration pursuant to Article VII hereof. Moreover, after such date the Association shall be vested with the right on its own behalf to enforce the provisions of this Declaration. The Declarant reserves the right to transfer at any time its duties or the responsibilities of the Architectural Review Committee, or both, pursuant to this Declaration to the Association, whereupon said Association shall have the right and duty to enforce this Declaration and to restrain any violations hereof.

ARTICLE VI

PROTECTIVE COVENANTS

The Property is and shall be held, transferred, sold, conveyed, leased, and occupied subject to the protective covenants, conditions, and restrictions set forth in this Article VI, all of which shall run with the land; provided,

however, that in the event of any conflict between the requirements of this Article VI and the requirements of the building or zoning code of the City of Loveland, Colorado, the more restrictive of the two shall govern.

Section 1. Lots.

(a) Permitted Uses.

(1) No noxious or offensive activity shall be allowed on any Lot nor shall anything be allowed or placed thereon which may be or become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to other Owners in the enjoyment of their Lot or the General Common Properties.

(2) No oil or gas drilling or the extraction thereof or mining operations shall be permitted on any Lot.

(3) A Lot shall be used exclusively and solely for residential purposes. However, a Lot may be used for a minor home occupation as allowed by the zoning ordinance for the City of Loveland, Colorado and subject to approval by the Association. Each single level primary dwelling constructed on a Lot shall be comprised of a minimum of One Thousand Eight Hundred (1,800) square feet of finished floor space above grade level and each primary multilevel dwelling constructed on a Lot shall be comprised of a minimum of Two Thousand Two Hundred (2,200) square feet of finished floor space above grade level with such a minimum square footage to be exclusive of garages, patios, basements, or accessory buildings. Each primary dwelling constructed on a Lot shall otherwise comply with the minimum setback requirements of the zoning code of the City of Loveland, Colorado, and the Architectural Review Committee. No accessory buildings including sheds, storage structures, outbuildings, greenhouses, gazebos, secondary garages and the like are allowed unless the structure is architecturally compatible, attached to the dwelling, and constructed using the same materials as found in the construction of the dwelling.

(4) Structures or improvements on a Lot shall not be constructed with pressed board, fiberboard, or hard board on more than fifteen percent (15%) of the exterior surfaces. The proportions or ratio of all materials found on any elevation of any structure constructed on a Lot shall be approximately the same on all the elevations. Further, there shall be no fiberglass-reinforced asphalt or asphalt shingles, pressed board, fiberboard, or hardboard materials used on the roof of any structure. All columns on a Lot, either structural or decorative, shall be architecturally compatible with the dwelling, constructed of the same materials, and shall require the approval of the Architectural Review Committee as to architectural compatibility and design.

(5) Fences are not allowed on any Lot. A Courtyard Wall shall be allowed (with written Architectural Review Committee approval). Courtyard Walls are not to be constructed within twenty-five feet of a Lot Line adjacent to a street and the total length of all such Courtyard Walls on a Lot shall not exceed eighty (80) feet. The Architectural Review Committee may extend the maximum length of eighty (80) feet provided the Courtyard Wall is used to enclose a swimming pool and such Courtyard Wall does not encompass a majority of the yard or Delineate any Lot Line.

(6) Protective netting shall not be allowed on any Lot. Dwellings and other improvements on a Lot shall be designed in such a way as to provide the necessary protection from golf balls or other personal injuries. Clotheslines, unsightly equipment, or equipment intended for children's recreational use such as swing sets and slides shall be placed within the Lot in such a manner as to be reasonably screened from view. Such screening and the location of such equipment on a Lot shall require the prior written approval of the Architectural Review Committee, which shall have the right to waive or vary the screening requirement if the equipment is placed on a Lot in such a manner as to minimize the exposure thereof. All such screening shall be comprised of materials approved by the Architectural Review Committee.

(7) No exterior antenna including a satellite dish antenna shall be permitted on any Lot without the written approval from the Architectural Review Committee.

(8) No elevated tanks or appurtenances of any kind shall be erected, placed or permitted upon any part of a Lot.

(9) All electric, telephone, television, radio or other utility lines shall be placed underground when extended from the street or Lot Line to any dwelling or other improvement on the Lot.

(10) No exterior horns, whistles, bells or other sound devices except security devices used exclusively to protect the security of dwellings and other improvements located thereon or essential to the function of the community services shall be placed or used on any Lot, the General Common Properties, or any Natural Area.

(11) All vacant Lots shall be maintained in a clean condition with all weeds thereon periodically trimmed and with such Lot free at all times of trash and rubbish.

(12) No light shall be emitted from any Lot or dwelling which is unreasonably bright or causes unreasonable glare.

(b) Special Lot Restrictions.

(1) Setback. All structures, except Courtyard Walls, shall be set back from the boundaries of the Lot as provided in this paragraph. All structures constructed on a Lot shall be set back a minimum of twenty-five (25) feet from any Lot Line adjacent to a street, a minimum of ten (10) feet from any Lot Line, and a minimum of fifteen (15) feet from the rear Lot Line of any Lot.

(2) Height. Structures shall not exceed thirty-five (35) feet in height. The Architectural Review Committee may disapprove the plans of any structure if it believes the height of the structure will not be consistent with the height of the structures on the surrounding Lots. No roof shall be constructed with a gable within fifteen (15) feet of any Lot Line except for a gable located on a first story wall.

(3) General. The restrictions and limitations set forth in Section 1 (b)(1) and Section 1 (b)(2) of this Article VI are in addition to but not in lieu of other restrictions and limitations contained in the Declaration, or any Supplementary Declarations.

(c) Pets. No more than three (3) generally recognized domestic house or yard pets shall be allowed on any Lot. If dogs are kept on a Lot, the Owner shall at all times have said dogs under his or her control, whether upon the Lot or upon any other location within the Property. Dogs are not allowed upon the General Common Properties or within any Natural Area. All Owners with a dog shall have an underground electric fence around that area of their Lot in which they allow their dog freedom to move without a chain, leash, or other restraint. Kennels shall not be allowed on the Property and no dog runs shall be allowed on any Lot. A Courtyard Wall is allowable (with written Architectural Review Committee approval) to restrain and contain pets. Animals shall not be permitted to roam at will, or be a nuisance, and at the option of the Association, steps may be taken to control any animals that are a nuisance or are not under the immediate control of their Owners, including the right to impound animals not under such control or are a nuisance and to charge substantial fees to their Owner for their return. The Association shall have the right to adopt further rules and regulations to enforce this provision.

(d) Horses and Livestock. No horses or livestock shall be kept or otherwise maintained upon the Property. Further, no horses or livestock shall be ridden or otherwise permitted on any of the General Common Properties or any Natural Area.

(e) Landscaping and Maintenance.

(1) At the time of or as soon as reasonably possible following construction of a dwelling on a Lot but not later than the later of seven (7) months or one (1) growing season after substantial completion of the dwelling, the Lot shall be suitably landscaped with lawn, shrubs, and trees. The Architectural

Review Committee shall retain the right to require trees or shrubs on a Lot be located or trimmed so as to preserve or enhance the view from other Lots within the vicinity. Water sprinkler systems with underground pipes shall be installed at each Owner's expense for the watering of all landscaped portions of a Lot including any adjacent Tree Lawn and right of way.

(2) If a Tree Lawn exists, it shall only include Lawn and any required trees. No Ground Covering or other landscaping or plantings of any kind shall be allowed within the Tree Lawn.

(3) No Ground Covering shall be placed closer than ten (10) feet to a Lot Line adjacent to a street. Further, no Ground Covering shall make up more than twenty-five percent (25%) of the landscaping on any Lot. All Ground Covering used in the landscaping shall be placed within fifteen (15) feet of the exterior of any structure on a Lot.

(4) Landscaping shall be designed in such a way as to not Delineate any Lot Line. Lawn shall be installed along all Lot Lines and Ground Covering shall not extend to Lot Lines except when designed to extend upon a neighboring Lot with the permission of the neighboring Owner.

(5) No Lot, the General Common Properties, or any Natural Area shall be used or maintained as a dumping ground for rubbish, garbage, trash, or other waste. No rubbish, garbage, trash, or other waste shall be stored, stockpiled, or allowed anywhere other than in covered sanitary containers maintained in good and clean condition and screened from view except during times of collection.

(6) A Lot and all improvements thereon shall be maintained at all times by the Owner in good condition and repair.

(7) All landscaping shall be kept and maintained in an attractive, healthy, live, and growing condition.

(8) Artistic statuary, sculptures, decorative columns, lampposts, etc. shall be located no more than fifteen (15) feet from a dwelling.

(9) Lawn shall be required within ten (10) feet of any Lot Line adjacent to a street. Within said ten (10) feet an occasional shrub or planting area used only to screen unsightly utility structures, fire hydrants, and similar structures is allowable provided the size of the planting area is the minimum area needed to screen the structure, and the required ten (10) feet of Lawn is located between said shrub or planting area and any other shrubs, planting area, or Ground Covering.

(10) Any Lot adjacent to the golf course, General Common Properties, or any Natural Area shall incorporate landscaping in such a way as to blend with the adjacent golf course, General Common Properties, or any Natural Area. The purpose of this provision is to provide that the Lot Lines, which border the golf course, General Common Properties, or any Natural Area shall not be distinguishable.

(f) Automobile, Boat, and Camper Parking.

(1) Trucks, trailers, mobile homes, truck campers, boats, and commercial vehicles shall not be kept, placed or maintained upon any Lot, the Property, or any street in such a manner that such vehicle or boat is visible from neighboring Lots, the General Common Properties or a street. All such vehicles or boats shall be kept out of sight at all times. The provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during and used exclusively in connection with construction of any dwelling or improvement permitted by this Article VI. Commercial vehicles engaged in the delivery or pick-up of goods or services shall be exempted from the provisions of this paragraph providing that they do not remain within a Lot in excess of the reasonable period of time required to perform such commercial function.

(2) Each Lot shall include at least two (2) completely enclosed and two (2) outside parking spaces upon the Lot. Temporary parking shall be permitted on streets and only in areas designated by the Architectural Review Committee and may be prohibited by the Association or the Declarant from time to time in order to permit the clearance of snow accumulation on and maintenance of the roads and streets.

(3) No trailer, vehicle or boat shall be constructed, reconstructed or repaired upon any Lot in such a manner that such activity is visible from neighboring Lots, General Common Properties or streets.

(g) Signs. No signs whatsoever shall be permitted upon the Property, with the exception of those listed below.

(1) Signs required by legal proceedings.

(2) Address identification signs constructed of materials that are compatible with the architecture of the area and subject to the approval of the Architectural Review Committee prior to erection thereof. Such signs shall not exceed a total face area of two (2) square feet.

(3) Signs of the type usually used by contractors, subcontractors and tradesmen may be erected during the authorized time of construction; provided that such signs are the style, color, and material approved by Architectural Control Committee and do not exceed a total face area of six (6) square feet.

(4) For Sale signs for vacant Lots or for a dwelling under construction must be located on the Lot and of a style, color, and materials approved by Architectural Control Committee. For Sale and For Rent signs for completed dwellings may be erected upon the Lot, provided no more than one (1) sign is located along the street frontage and one (1) sign is located along a Lot Line adjacent to the golf course and such signs do not exceed a total face area of six (6) square feet unless otherwise approved in advance in writing by the Architectural Review Committee.

(5) No sign shall exceed a height of four (4) feet from grade.

(6) The Architectural Review Committee shall have the right to promulgate standards for color, style, materials, and location of the foregoing signs (except signs required by legal proceedings) and in such event, all signs shall conform therewith.

(h) Fencing, Walls, and Drainage Easements. A nonexclusive easement, ten (10) feet in width, for the installation and maintenance of walls along the exterior of the Lots on the east, north, south and west boundaries of the Property is hereby excepted, reserved, and granted to Declarant and may be assigned by Declarant to the Association. No Owner shall modify, repair, replace, paint or otherwise interfere with any pillars, and/or walls so constructed without the prior written approval of the Architectural Review Committee.

(i) Show Homes. No Owner or other person may utilize any Lot or dwelling constructed thereon for the purposes of a Show Home without the written consent of the Architectural Control Committee.

Section 2. Subdivision and Combination of Lots.

(a) Lots may not be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership, except that adjoining Owners may sell or purchase adjoining property to accomplish relocation of the boundary line between such Lots if first approved in writing by the Architectural Review Committee, if such sale and purchase will not cause a resulting violation of any setback, building or other restriction contained herein, and if such steps are taken as are necessary to comply with the building, zoning, and subdivision codes for the City of Loveland, Colorado. In such cases, the new boundary line thus established shall be deemed a new boundary line between the respective Lots but no easement established with respect to the former boundary line shall be shifted or changed by the reason of the change of boundary line. Two (2) or more adjoining Lots which are under the same ownership may also be combined and developed as one (1) Lot, but only if first

approved in writing by the Architectural Review Committee and if such approvals as may be necessary are obtained from the City of Loveland, Colorado. Setback lines along the common boundary line of the combined parcels shall be deemed removed and easements created or established along the common boundary line of the combined Lots may be changed without the consent of any person entitled to the use thereof if no improvements have been constructed in such easements provided that the written consent of the Architectural Review Committee is first obtained. The Architectural Review Committee shall have the right to require alternative easements to be granted or created by the Owner of the combined Lots. If setback lines are removed or easements are changed along the common boundary line of the combined Lots, the combined Lots shall thereafter be deemed one (1) Lot, and may not thereafter be split or developed into two (2) or more Lots. Further, in the event that two (2) or more adjoining Lots are combined hereunder, they shall be deemed one (1) Lot for the purpose of voting rights pursuant to Article II and assessments pursuant to Article IV hereof and the undivided interest in the General Common Properties shall automatically be changed, such that the number of fractional units equals the number of Lots.

Section 3. General Common Properties.

(a) No noxious or offensive activity shall be carried on or conducted upon any of the General Common Properties or Natural Area, nor shall anything be done or placed therein which may be or become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to an Owner in the enjoyment of their Lot or the General Common Properties.

(b) All uses of the General Common Properties shall be subject to the rules and regulations of the Association as promulgated and revised by the Directors thereof from time to time. All uses of any Natural Area shall be subject to all rules and regulations of any and all governmental agencies.

(c) No improvement, excavation or other alteration shall be made so as to alter the General Common Properties or any Natural Area from their natural or existing state at the time of conveyance by the Declarant to the Association unless approved in writing by the Architectural Review Committee or the Declarant.

(d) There shall be no camping in the General Common Properties or any Natural Area.

(e) There shall be no fires started or maintained in any Natural Area.

(f) No domestic animals shall be allowed on the General Common Properties or any Natural Area.

(g) The use of snowmobiles, motorcycles or other motorized vehicles off of the roadways is expressly prohibited within the General Common Properties except as required for emergency and maintenance purposes.

ARTICLE VII

ENFORCEMENT

Section 1. Abatement and Suit. The provisions herein contained shall run with the land, and be binding upon and inure to the benefit of the Declarant and the owners of every Lot within the Property. The provisions may be enforced as hereinafter provided by Declarant acting for itself, the Architectural Review Committee or as trustee on behalf of all of the owners of Lots. These provisions also may be enforced by the Association upon the transfer to it of Declarant's duties and responsibilities under this Declaration pursuant to Article V, Section 1 (f) hereof. Each owner by acquiring an interest in the Property appoints irrevocably the Declarant as such Owner's attorney-in-fact for such purposes; provided, however, that if an Owner notifies Declarant in writing of a claimed violation of the provisions herein contained and Declarant fails to take action to remedy the violation within thirty (30) days after receipt of such notification, then, and in that event only and owner may separately at such owner's own cost and expense, enforce the provisions herein. Violation of any of the provisions herein contained shall give the Declarant or the Association the right: (1) to enter upon the portion of the

Property wherein said violation or breach exists and summarily to abate and remove, at the expense of the Owner, any structure, thing or condition that may be or exists thereon contrary to the intent and meaning of the provisions hereof; (2) to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of the provisions herein to enjoin or prevent them from doing so; and (3) to cause said violation to be remedied or to recover damages for said violation.

Section 2. Deemed to Constitute a Nuisance. Every violation of this Declaration or any part thereof is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed therefor by law or equity against an Owner, including but not limited to the assessment of attorney's fees and costs, shall be applicable against every such violation and may be exercised by Declarant or any Owner pursuant to Section 1 of this Article VII. The failure of the Declarant or the Architectural Review Committee of the Association to enforce any of the provisions of this Declaration herein contained shall in no event be deemed to be a waiver of the right to do so for subsequent violations or of the right to enforce any other provisions thereof, and the above-named entities shall not be liable therefor.

Section 3. Certificate of Compliance. Upon payment of a reasonable fee to be set and determined by a majority vote of the board of directors of the association, and upon written request of any Owner, mortgagee, holder of a deed of trust, or prospective Owner of any property covered by this Declaration, the Declarant or the Association shall issue and acknowledge certificate in recordable form setting forth generally whether or not to the best of Declarant's or the Association's knowledge, an Owner is in violation of any of the terms and conditions of this Declaration. The written statements shall be conclusive in favor of the persons who rely thereon in good faith. Such statement shall be furnished within a reasonable time, but not to exceed twenty (20) days from the receipt of a written request for such written statement. In the event of a failure to furnish such written statement within twenty (20) days, unless there is a recorded lien against the property, it shall be conclusively presumed that there are no unpaid assessments relating to such Lot as to which the request was made and that said Lot is in conformance with all the terms and conditions of this Declaration.

Section 4. Rules and Regulations. The Declarant, so long as it maintains its Class B membership, the Association and the Architectural Review Committee shall have the right to promulgate and adopt such reasonable rules and regulations as are required to carry out the purpose and intent of the protective covenants set forth in Article VI hereof and the other provisions of this Declaration; provided, however, that nothing contained herein shall be deemed to expand the powers of or grant additional powers to Declarant, the Architectural Review Committee or the Association beyond those provided for in this Declaration. The Architectural Review Committee shall have the right to adopt architectural standards, sign standards, construction regulations and such other rules and regulations as it deems necessary or appropriate, which rules, regulations, and standards may be modified from time to time in the reasonable discretion of the Architectural Review Committee.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. The Term Mortgage. The term "Mortgage" when used herein shall include deeds of trust or trust deeds.

Section 2. No Representations. Except as expressly set forth herein, Declarant makes no representations regarding the use of the Property and the restrictions placed thereon by these covenants, the City of Loveland, Colorado, or by other governmental authorities. Declarant makes no representations as to the existence, preservation or permanence of any view from any Lot.

Section 3. Duration and Amendment.

(a) This Declaration, and every provision hereof and every covenant, condition, restriction and reservation contained herein shall run with and bind the Property and shall continue in full force and effect for a

period of twenty (20) years from the date hereof, and shall thereafter be automatically extended for successive periods of ten (10) years unless otherwise terminated or modified as hereinafter provided.

(b) This Declaration or any provision hereof may not be terminated, extended, modified or amended, as to the whole of the Property or any portion thereof, except as described in Article VIII Section 12 without the written consent of a two-thirds majority of the Class A members and the Class B member of the Association, if any, at the time of such termination, extension, modification or amendment. A written notice of any proposed termination, extension, modification or amendment shall be delivered to every member of the Association at least thirty (30) days in advance of any action taken. If no response to the written notice is received by the Association, approval by the non-responding proposed member of termination, extension, modification, or amendment shall be conclusively presumed. Such termination, extension, modification or amendment shall be immediately effective after such written notice has been given upon recording a written instrument in the office of the Clerk and Recorder of the County of Larimer, Colorado, reflecting that the required consents have been obtained, which instrument is executed and acknowledged by the President or Vice President of the Association (and by the Class B member thereof, if any).

Section 4. Association and Declarant's Use of General Common Properties. The Association and the Declarant shall have the right to use all General Common Properties within the Property for purposes of providing the services they perform.

Section 5. Easements and Rights of Way for Service and Maintenance of the Property. The Association is hereby given the right to grant within the General Common Properties such easements and rights of way to such utility companies and public or private agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Property. No approval need be obtained from any Owner. The Association is also hereby given the right to grant rights of way over and across the Common Properties to Owners in the event that in the Association's discretion it is necessary or desirable.

Section 6. Notices. Any notice required to be sent to any member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as such member or Owner on the records of the Association at the time of such mailing.

Section 7. Assignment of Declarant's Rights and Duties. Any and all of the rights and powers of Declarant herein contained may be assigned by Declarant to the Association. Said Association, to the extent of such assignment, shall be obligated to assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant hereunder. Upon such assignment, and to the extent thereof, Declarant shall thereafter be relieved from all liabilities, obligations, and duties hereunder arising subsequent thereto.

Section 8. Severability. All of the provisions contained in this Declaration shall be construed together, but if it shall at any time be held that any one of such provisions, or any part thereof, is or has become invalid, or for any reason is or has become unenforceable, no other provisions, or any part thereof, shall be thereby affected or impaired.

Section 9. Benefits and Burdens. The terms and provisions contained in this Declaration shall bind and inure to the benefit of the Declarant, the Association and the Owners located within the Property and their respective heirs, successors, personal representatives, and assigns.

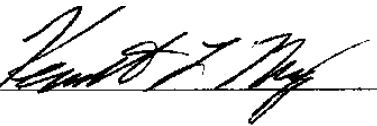
Section 10. Waiver. The failure of any person or entity designated herein to enforce any provision of this Declaration shall in no event be deemed to be a waiver of the right to do so for any subsequent violations. Moreover, the right to enforce any other provisions of this Declaration shall not be waived by such a failure nor shall there be any liability therefor.

Section 11. Singular and Plural. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

Section 12. Increase in Area Covered by Covenants. The area of the Property subject to this Declaration may be increased by filing among the real property records of Larimer County, Colorado, supplements to this Declaration, which need only be signed by the Declarant, the owner of the additional land described in the supplement and the holder of any mortgage or similar lien thereon, stating that the additional land shall be subject to this Declaration. No other land in the vicinity of the Property shall be subject to this Declaration unless the provisions of this paragraph are complied with, it being intended that this Declaration not be construed or considered as a scheme for the development of any land other than that shown on the Plat or hereafter subjected to this Declaration in the manner described in this Section 12.

Section 13. Modification Required by Governmental Entity. The Declarant shall have the right, by instrument duly recorded among the real property records of Larimer County, Colorado, which need only be signed by the Declarant and the holder of any mortgage or similar lien on the portion of the Property then owned by the Declarant to modify the provisions of this Declaration if the modification is required by the Veterans Administration or the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association or any successor agencies thereto as a condition of the approval by such agency of the Property or any part thereof or any Lot therein for approved mortgage financing purposes under applicable Veterans Administration, Federal Housing Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association or similar programs, and the consent to the modification by any Owner or of the holder of any mortgage or lien on such owner's Lot shall not be required even though the modification relates to portions of the Property no longer owned by the Declarant.

DECLARANT:

By: _____

ATTEST:

By: _____

Exhibit A

The Reserve Fourth Subdivision at Mariana Butte P.U.D. to the City of Loveland, Colorado.