

3308157 08/01/2005 03:49P Weld County, CO
1 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

**TABLE OF CONTENTS
FOR
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
THE RESERVE AT HUNTER'S COVE CONDOMINIUMS
(a Common Interest Community)**

	<u>Page</u>
ARTICLE I. SUBMISSION OF REAL ESTATE.....	2
ARTICLE II. DEFINITIONS.....	2
ARTICLE III. COMMON INTEREST COMMUNITY.....	6
Section 1. Name.....	6
Section 2. Association.....	6
Section 3. Condominium.....	6
Section 4. County.....	6
Section 5. Legal Description.....	6
Section 6. Maximum Number of Lots.....	6
Section 7. Boundaries of Lots.....	7
Section 8. Identification of Units.....	7
Section 9. Allocated Interests.....	7
Section 10. Recording Data.....	7
Section 11. Notice.....	7
ARTICLE IV. DESCRIPTION, CONVEYANCE, OWNERSHIP AND TAXATION OF CONDOMINIUM UNITS.....	8
Section 1. Division of Property into Condominium Units.....	8
Section 2. Common Elements.....	8
Section 3. Identification of Units.....	8
Section 4. Description of Condominium Unit.....	8
Section 5. Condominium Map.....	9
Section 6. Inseparability.....	10
Section 7. Taxation.....	10
Section 8. Form of Ownership – Title.....	10
Section 9. Non-Partitionability and Transfer of Common Elements.....	10



ARTICLE V.	ASSOCIATION	11
Section 1.	Authority	11
Section 2.	Powers.....	11
Section 3.	Declarant Control.....	11
Section 4.	Executive Board Powers and Duties.....	11
Section 5.	Professional Management and Contract Termination Provisions.....	14
Section 6.	Executive Board Limitations	15
ARTICLE VI.	SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS	15
Section 1.	Special Declarant Rights.....	15
Section 2.	Additional Reserved Rights	16
Section 3.	Rights Transferable.....	17
ARTICLE VII.	RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS	17
Section 1.	Expansion Rights	17
Section 2.	Amendment or Supplement of the Declaration	17
Section 3.	Amendment or Supplement to the Plat.....	17
Section 4.	Interpretation.....	17
Section 5.	Maximum Number of Units.....	18
Section 6.	Construction Easement	18
Section 7.	Termination of Expansion and Development Rights	18
Section 8.	Transfer of Expansion and Development Rights.....	18
ARTICLE VIII.	ASSESSMENT FOR COMMON EXPENSES	19
Section 1.	Personal Obligation of Owners for Common Expenses	19
Section 2.	Purpose of Assessment	19
Section 3.	Amount of Assessment	19
Section 4.	Master Association Assessment	19
Section 5.	Initial Annual Assessment	19
Section 6.	Date of Commencement of Annual Assessments; Due Dates	20
Section 7.	Special Assessments	20
Section 8.	Reserve Fund	20
Section 9.	Surplus Funds	20
Section 10.	Statement of Assessment	20
ARTICLE IX.	LIEN FOR NONPAYMENT OF COMMON EXPENSES	21
Section 1.	Priority of Association Lien.....	21
Section 2.	Effect of Nonpayment of Assessments; Remedies of Association	22



ARTICLE X.	MORTGAGEE PROTECTION.....	23
Section 1.	Introduction.....	23
Section 2.	Notice of Actions.....	23
Section 3.	Consent and Notice Required.....	23
Section 4.	Development Rights.....	26
Section 5.	Inspection of Books.....	27
Section 6.	Financial Statements.....	27
Section 7.	Enforcement.....	27
Section 8.	Attendance at Meetings.....	27
Section 9.	Appointment of Trustee.....	27
ARTICLE XI.	LIMITED COMMON ELEMENTS.....	27
Section 1.	Limited Common Elements.....	27
Section 2.	Allocation of Reserved Limited Common Elements.....	27
Section 3.	Allocation of Specified Common Elements.....	28
ARTICLE XII.	MAINTENANCE, REPAIR AND REPLACEMENT OF LIMITED COMMON ELEMENTS.....	28
Section 1.	Limited Common Elements.....	28
Section 2.	Expense Allocation.....	28
ARTICLE XIII.	EASEMENTS.....	28
Section 1.	Recorded Easements.....	28
Section 2.	Encroachments.....	29
Section 3.	Emergency Easement.....	29
Section 4.	Access and Utility Easements.....	29
Section 5.	Maintenance Easement.....	30
Section 6.	Drainage Easement.....	30
Section 7.	Easements of Access or Repair, Maintenance and Emergencies.....	30
Section 8.	Easements Deemed Created.....	30
ARTICLE XIV.	RESTRICTIONS ON USE AND OCCUPANCY.....	31
Section 1.	Use and Occupancy Restrictions.....	31
Section 2.	Restrictions on Alienation.....	36
ARTICLE XV.	GENERAL PROVISIONS.....	36
Section 1.	Dispute Resolution.....	36
Section 2.	Duration.....	37
Section 3.	Amendment.....	37
Section 4.	Water and Sewer Service.....	37
Section 5.	Insurance.....	38

Section 6. Condemnation and Total or Partial Loss or Destruction42
Section 7. Open Flame and Outdoor Cooking.....42
Section 8. Notice Concerning Utility Service.....43
Section 9. Construction Hours43



3308157 08/01/2005 03:49P Weld County, CO
4 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

3308157 08/01/2005 03:49P Weld County, CO
5 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

**CONDOMINIUM DECLARATION
FOR
THE RESERVE AT HUNTER'S COVE CONDOMINIUMS
(a Common Interest Community)**

THIS SUPPLEMENTAL DECLARATION is made and entered into this 29th day of July, 2005, by THE RESERVE AT HUNTER'S COVE, LLC, a Colorado limited liability company, hereinafter referred to as "the Declarant."

RECITALS

- A. This is a Supplemental Declaration ("Declaration") to the Hunter's Cove Subdivision Declaration of Covenants, Conditions and Restrictions recorded December 15, 1997, at Reception No. 2584337 of the records of the Clerk and Recorder of Weld County, Colorado ("the Master Declaration").
- B. The Declarant is the owner of that certain real property located in the County of Weld, State of Colorado, legally described as Lot 1, Block 3, HUNTER'S COVE 2ND REPLAT, City of Greeley, County of Weld, State of Colorado ("the Real Estate").
- C. The Declarant desires to create a Common Interest Community on the Real Estate, pursuant to the Colorado Common Interest Ownership Act, Section 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time ("the Act"), in which portions of the Real Estate will be designated for separate ownership and the remainder of which will be for common ownership solely by the Owners of the separate ownership interests.
- D. The Declarant has caused to be incorporated under the laws of the State of Colorado THE RESERVE AT HUNTER'S COVE CONDOMINIUM ASSOCIATION, a nonprofit corporation, for the purpose of exercising the functions herein set forth, and all Unit Owners being a Member thereof. This shall be a subassociation of the Master Declaration.
- F. The developer of the Master Declaration of Covenants, Conditions and Restrictions has caused the The Reserve at Hunter's Cove Homeowners' Association of Greeley, a Colorado nonprofit corporation, to be formed and all Unit Owners shall be members thereof.



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: Definitions. When used in this Declaration, unless the context clearly indicates otherwise, capitalized terms not otherwise defined in the Act or in the Condominium Map of the Real Estate shall have the meanings provided in the following subsections of this Article:

- A. "Allocated Interests" shall mean and refer to the Common Expense Liability and votes in the Association.
- B. "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.
- C. "Association" or "Unit Owners' Association" shall mean and refer to a unit owners' association organized and existing under Section 38-33.3-301 of the Act.
- D. "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.
- E. "Common Elements" shall mean and refer to all portions of the Condominium other than the Units.
- F. "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Unit pursuant to this Declaration.

G. "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.

H. "Common Interest Community" shall mean and refer to the Real Estate and all improvements constructed thereon.

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

- (1) As a part of a common promotional plan, offers to dispose of to a Purchaser such Declarant's interest in a Unit not previously disposed of to a Purchaser; or
- (2) Reserves or succeeds to any Special Declarant Right.

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

K. "Dispose" or "Disposition" shall mean and refer to a voluntary transfer of any legal or equitable interest in a Unit, but the term does not include the transfer or release of a security interest.

L. "Documents" shall mean and refer to this Declaration, the Condominium Map(s) as recorded and filed, the Articles of Incorporation, the Bylaws, and the Rules and Regulations as they may be amended from time to time, together with any exhibit, schedule or certificate accompanying such Documents.

M. "Eligible Insurer" shall mean and refer to an insurer or guarantor of a First Security Interest in a Unit (i.e. HUD, FHA, or VA). An Eligible Insurer must notify the Association in writing of its name and address and inform the Association that it has insured or guaranteed a First Security Interest in a Unit. It must provide the Association with the Unit number and address of the Unit on which it is the insurer or guarantor of a Security Interest. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in this Declaration.

N. "Eligible Mortgagee" shall mean and refer to the holder of a First Security Interest in a Unit when the holder has notified the Association, in writing,



3308157 08/01/2005 03:49P Weld County, CO
8 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

of its name and address and that it holds a First Security in a Unit. The notice must include the Unit number and address of the Unit on which it has a Security Interest. Such notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in this Declaration.

O. "Executive Board" or "Board of Directors" shall mean and refer to the Executive Board and/or Board of Directors of the Association.

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

Q. "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.

R. "Limited Common Elements" shall mean and refer to a portion of the Common Elements allocated by this Declaration or by the operation of Section 38-33.3-202(1)(b) or (1)(d) of the Act for the exclusive use of one or more Units but fewer than all of the Units.

S. "Master Association" shall mean The Reserve at Hunter's Cove Homeowners' Association of Greeley, a Colorado nonprofit corporation.

T. "Mortgagee" shall mean and refer to any Person who has a security interest in a Unit, and who has provided written notice of such interest to the Association.

U. "Owner" when the context so indicates shall mean Unit Owner.

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

W. "Plat" shall mean and refer to the Plat or Map of the Real Estate recorded in the office of the Clerk and Recorder of Weld County, Colorado, and all recorded amendments thereto.

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

- (1) A leasehold interest in a Unit of less than forty (40) years, including renewal options, with the period of the leasehold



3308157 08/01/2005 03:49P Weld County, CO
9 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

interest, including renewal options, being measured from the date the initial term commences; or

(2) A Security Interest.

Y. "Real Estate" shall mean and refer to the Real Estate described on Exhibit "A" attached hereto and incorporated herein by reference, including structures, fixtures, and other improvements and interests that, by custom usage or law, pass with a conveyance of land, though not described in the contract of sale or instrument of conveyance.

Z. "Residential Use" shall mean and refer to use for dwelling or recreational purposes related thereto, and shall include assisted living.

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

bb. "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, and 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 Unit prior to all other Security Interests except the Security Interest for real property taxes and assessments made by Weld County, Colorado, or other governmental authority having jurisdiction over the Common Interest Community.

cc. "Single-family" shall mean and refer to any individual or group of persons related by blood or marriage or any unrelated group of not more than three (3) persons living together in a Residence.

dd. "Unit" shall mean and refer to a physical portion of the Common Interest Community which is designated for separate ownership or occupancy and the boundaries of which are described in or determined from the Declaration and Plat. Each Unit is a condominium.



3308157 08/01/2005 03:49P Weld County, CO
10 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

ee. "Unit Owner" shall mean and refer to the Declarant or other Person who owns a Unit but does not include a Person having an interest in a Unit solely as security for an obligation. The Declarant is the Owner of any Unit created in the Declaration until that Unit is conveyed to another Person.

Section 2: Other Terms Defined in Act. Unless the context clearly indicates otherwise, other terms defined in the Act shall have the meanings attributable to such terms in the Act.

Section 3: Other Terms in Declaration. Other terms in this Declaration may be defined in specific provisions contained herein and shall have the meaning assigned by such definition.

Section 4: Terms in this Declaration and the Master Declaration. Terms defined in this Declaration are for the purpose of giving meaning to this Declaration; and terms defined in the Master Declaration are for the purpose of giving meaning to the Master Declaration.

ARTICLE III. COMMON INTEREST COMMUNITY

Section 1: Name. The name of the Common Interest Community is THE RESERVE AT HUNTER'S COVE CONDOMINIUMS.

Section 2: Association. The name of the Association is THE RESERVE AT HUNTER'S COVE CONDOMINIUM ASSOCIATION.

Section 3: Condominium. The Common Interest Community is a condominium and each Unit shall be a condominium.

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

Section 5: Legal Description. A legal description of the Real Estate included in the Common Interest Community is Lot 1, Block 3, HUNTER'S COVE 2ND REPLAT, City of Greeley, County of Weld, State of Colorado.

Section 6: Maximum Number of Units. The maximum number of Units that the Declarant reserves the right to create within the Common Interest Community is forty-six (46).

3308157 08/01/2005 03:49P Weld County, CO
11 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

Section 7: Boundaries of Units. The boundaries of each Unit are located as shown on the Plat and are more particularly described as follows:

- (a) Walls, floors, and ceilings are designated as boundaries of a Unit.
- (b) Each Unit may include the electrical, heating, hot water, and air-conditioning apparatus exclusively serving the Unit, whether or not located within the boundaries of the Unit.

Section 8: Identification of Units. The identification number of each Unit is shown on the Plat.

Section 9: Allocated Interests. The undivided interest in the Common Elements, Common Expense Liability, and votes in the Association shall be allocated among the Unit Owners as follows:

- (a) Each Unit Owner's share of the undivided interest in the Common Elements and Common Expenses shall be a fraction, the numerator of which shall be one (1) for each Unit and the denominator of which shall be the total number of all Units
- (b) Each Unit Owner shall be entitled to one (1) vote for each Unit owned.

The undivided interest in the Common Elements, Common Expense Liability, and votes in the Association for each Unit are set forth on Exhibit "A" attached hereto and incorporated herein by reference ("Allocated Interest").

Section 10: Recording Data. All easements and licenses to which the Common Interest Community is presently subject are described on Exhibit "B" attached hereto and incorporated herein, the Plat, which is a matter of record in the records of the Clerk and Recorder of Weld County, the Development Agreement with the City of Greeley, the plat of The Reserve at Hunter's Cove Subdivision, recorded in the records of the Clerk and Recorder of Weld County, Amended Declaration of Covenants for Hunter's Cove Subdivision (a Common Interest Community) recorded on December 15, 1997, as Reception No. 2584337 of the records of Weld County, and the Utility Plans on file with the City of Greeley. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to the terms of the Master Declaration and this Declaration.

Section 11: Notice. Notice of matters affecting the Common Interest Community may be given to Unit Owners by the Association or by other Unit Owners in the following



3308157 08/01/2005 03:49P Weld County, CO
12 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

manner: notice shall be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. Such notice shall be deemed given when hand delivered or when deposited in the United States mail.

ARTICLE IV. DESCRIPTION, CONVEYANCE, OWNERSHIP AND TAXATION OF CONDOMINIUM UNITS

Section 1: Division of Property into Condominium Units. The Real Estate, including the improvements thereon, shall be divided into forty-six (46) fee simple condominium estate Units in fourteen (14) Buildings. Each Unit shall consist of a separately designated Unit and an undivided interest in and to the Common Elements appurtenant to each Unit. The undivided interest in the Common Elements appurtenant to each Unit for the six (6) Units in the two (2) Buildings constructed upon the Real Estate is set forth on Exhibit "A" attached hereto and incorporated herein by reference. The Declarant reserves the right to expand the Common Interest Community to a maximum of fourteen (14) Buildings containing a maximum of forty-six (46) Units and reallocate the undivided interest in the General Common Elements, the Common Expense Liability, and the votes in the Association, all as more fully provided in Article VII hereinafter. The creation of "Time Share Subdivision" as said term is defined in the Colorado Condominium Ownership Act (i.e. § 38-33-101, C.R.S., et seq., as amended) is hereby expressly prohibited.

Section 2: Common Elements. Subject to the right of the Association to adopt reasonable, nondiscriminatory and uniform rules and regulations regarding usage, all of the Owners of Units in this Common Interest Community shall have a nonexclusive right in common with all of the other Owners to use the open spaces located within the entire Common Interest Community. In addition to rights of use described in this Declaration, the Association, its Executive Board, and its managers shall have an unrestricted irrevocable easement to traverse, cross, and utilize any portion of the Common Elements which may be necessary in order to maintain, repair or replace General and/or Limited Common Elements. Except as specifically herein required, no reference thereto need be made in any instrument or conveyance or other instrument in accordance with Section 4 of this Article IV.

Section 3: Identification of Units. The Identifying Number of each Unit shall be shown on the Condominium Map.

Section 4: Description of Condominium Unit.

- (a) Every contract for the sale of a Unit written prior to the recordation of the Condominium Map and this Declaration may legally describe the Unit by its identifying Building and Unit designation, followed by the

3308157 08/01/2005 03:49P Weld County, CO
13 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

words "The Reserve at Hunter's Cove Condominiums." The location of such Buildings and Units shall be depicted on the Condominium Map subsequently recorded in the county of Weld, state of Colorado. Such description shall be conclusively presumed to relate to the thereon described Units.

- (b) After the Condominium Map and this Declaration have been recorded in the office of the Clerk and Recorder of Weld County, Colorado, every contract, deed, lease, Security Interest, trust deed or will or other instrument may legally describe a Condominium Unit as follows:

Condominium Unit _____, Building _____, THE RESERVE AT HUNTER'S COVE CONDOMINIUMS, in accordance with the Condominium Map of The Reserve at Hunter's Cove Condominiums recorded on _____, 2005, at Reception No. _____, and subject to the Condominium Declaration for The Reserve at Hunter's Cove Condominiums recorded on _____, 2005, at Reception No. _____ of the Weld County, Colorado records.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also the undivided interest in the common Elements appurtenant to said Unit and all other appurtenant properties and property rights, and incorporate all of the rights and burdens incident to ownership of a Condominium Unit and all of the limitations thereon as described in this Declaration and the Condominium Map. Each such description shall be construed to include a nonexclusive easement for use of all of the Limited Common Elements appurtenant to said Unit as well as all the General Common Elements.

- (c) The reference to the Condominium Map and Declaration in any instrument shall be deemed to include any amendment and/or supplement to the Condominium Map or Declaration, without specific reference(s) thereto.

Section 5: Condominium Map. Subject to the limitations contained herein, the Condominium Map may be filed for record in whole or in parts or sections, from time to time, as the stages of construction of the Buildings and other improvements are substantially completed or as already constructed Buildings are added to the Condominium Map. Each section of the Condominium Map filed subsequent to the first or initially filed section shall



3308157 08/01/2005 03:49P Weld County, CO
14 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

be termed a supplement and a numerical sequence of such supplements shall be shown thereon. The Condominium Map, or any part of a section thereof depicting Units, shall not be filed for record until an independent licensed or registered engineer, surveyor or architect shall have certified that all structural components of all Buildings containing or comprising any Units thereby created are substantially completed in accordance with the provisions of the Act.

Section 6: Inseparability. Each Unit, as well as all other appurtenances, rights and burdens connected therewith, shall be inseparable and may be transferred, conveyed, leased, devised, encumbered or otherwise disposed of only as a Unit. Every transfer, conveyance, lease, devise, encumbrance or other disposition of a Unit shall be deemed to be a transfer, conveyance, lease, device, encumbrance or other disposition, as the case may be, of the entire Unit, together with all appurtenant rights, interests, duties, and obligations created by law or by this Declaration.

Section 7: Taxation. Each Unit shall be assessed separately for all taxes, assessments, and other charges of the state of Colorado, any political subdivision thereof, any special improvement district and any other taxing or assessing authority, in accordance with the Act. For purposes of such assessments, the valuation of the Common Elements shall be apportioned among the Units in proportion to the undivided interest in the Common Elements appurtenant to the Unit in question. The Association shall furnish to the Tax Assessor of the County of Weld, Colorado, and to all other appropriate persons and authorities, all necessary information with respect to such apportionment. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

Section 8: Form of Ownership – Title. A Unit may be held and owned in any real property tenancy relationship recognized under the laws of the state of Colorado. The right of any Owner to sell, transfer or otherwise convey his Unit shall not be subject to any right of first refusal in the Declarant.

Section 9: Non-Partitionability and Transfer of Common Elements. The Common Elements shall be owned in common by all of the Owners and shall remain undivided and not subject to partition, such that any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements made without the Unit to which that interest is allocated is void. By acceptance of this deed or other instrument of conveyance or assignment, each Owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the Common Elements. Furthermore, each Owner agrees that this section may be pled as a bar to the maintenance of such an action. Any violation of this section shall entitle the Association to collect, jointly and severally, from the parties



3308157 08/01/2005 03:49P Weld County, CO
15 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

violating the same, the actual attorneys' fees, costs, expenses, and all damages, which the Association incurs in connection therewith.

ARTICLE V. ASSOCIATION

Section 1: Authority. The business and affairs of the Common Interest Community shall be managed by the Master Association and 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.

Section 3: Declarant Control. The Declarant, or persons designated by it, may appoint and remove the officers and members of the Executive Board of the Association for a period of seven (7) years after recordation in the office of the Clerk and Recorder of Weld County, Colorado, of this Declaration. The period of Declarant control as herein set forth is subject to the limitations of Section 38-33.3-303(5) of the Act.

Section 4: Executive Board Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration or the Bylaws. The Executive Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws.
- (b) Adopt and amend Rules and Regulations for parking, use of Common Elements, and as generally required for the use of the Real Estate.
- (c) Adopt and amend budgets for revenues, expenditures and reserves.
- (d) Collect assessments from Unit Owners, open checking and savings accounts, and withdraw funds for the payment of Association obligations.
- (e) Hire and discharge managing agents.
- (f) Hire and discharge independent contractors, employees, and agents other than managing agents.



3308157 08/01/2005 03:49P Weld County, CO
16 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (g) Institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Documents in the Association's name, on behalf of the Association, or two (2) or more Unit Owners on any matters affecting the Common Interest Community.
- (h) Make contracts and incur liabilities.
- (i) Regulate the use, maintenance, repair, replacement, and modification of the Common Elements.
- (j) Cause additional improvements to be made as a part of the Common Elements.
- (k) Acquire, hold, encumber, and convey in the Association's name, any right, title, or interest to real estate or personal property, but the Common Elements may be conveyed or subjected to a Security Interest only pursuant to this Declaration and applicable law.
- (l) Grant easements for any period of time, including permanent easements, leases, licenses, and concessions through or over the Common Elements.
- (m) Impose and receive a fee or charge for the use, rental, or operation of the Common Elements and for services provided to Unit Owners.
- (n) Impose a reasonable charge for late payment of assessments and levy a reasonable fine for violation of this Declaration, the Bylaws, and the Rules and Regulations of the Association.
- (o) Impose a reasonable charge for the preparation and recordation of supplements or amendments to this Declaration and for statements of unpaid assessments.
- (p) Provide for the indemnification of the Association's officers and the Executive Board and maintain Directors' and officers' liability insurance.
- (q) Maintain such casualty, liability, flood, and other insurance policies and fidelity bonds as set forth in Section 6 of Article XV.



3308157 08/01/2005 03:49P Weld County, CO
17 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (r) Assign the Association's right to future income, including the right to receive Common Expense Assessments, only upon the affirmative vote of the Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, at a meeting called for that purpose.
- (s) Provide for the payment of any expenses properly assessed against the Real Estate pursuant to any underlying covenants, conditions, and restrictions affecting the Real Estate.
- (t) Exercise any other powers conferred by the Documents.
- (u) Exercise any other power that may be exercised in the state of Colorado by a legal entity of the same type as the Association.
- (v) Exercise any other power necessary and proper for the governance and operation of the Association.
- (w) By resolution, establish permanent and standing committees of Directors to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board.

However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within forty-five (45) days of publication of a notice. If an appeal is made, the committee's action must be ratified, modified, or rejected by the Executive Board at its next regular meeting.
- (x) The right to make changes or revisions to the Declaration to comply with requirements of HUD, FannieMae (FNMA), FreddieMac (FHLMC), VA or FHA.
- (y) Act, or appoint person(s) to act, with respect to voting and other actions and rights vested in the owner of the Real Estate by any underlying covenants affecting the Real Estate.



3308157 08/01/2005 03:49P Weld County, CO
18 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (z) Maintain the Common Elements and the vegetation of the open space area, including, without limitation, planting and maintaining vegetation and installing and operating irrigation and sprinkler systems and to pay all expenses related thereto.
- (aa) Contract and pay for water, sewer services, trash removal, and AT&T Broadband cable service as a Common Expense.
- (bb) Collect dues to be paid to the Master Association from the Unit Owners and remit the dues collected to the Master Association.
- (cc) Make assessments to establish reserves for the repair, maintenance, and replacement of General Common Elements, which reserves shall be held in a separate reserve account.
- (dd) Collect dues for the repair, maintenance, and replacement of common park and playground areas that are the contract responsibility of the Association.
- (ee) Enter into an agreement with Hunter's Cove Homeowners Association ("Master Association") under the terms of which The Reserve at Hunter's Cove Condominium Association will maintain a park located on the Real Estate for use of all owners and guests of Hunter's Cove Subdivision and in consideration Owners of Units will not pay dues to the Master Association.

Section 5: Professional Management and Contract Termination Provisions. The Association may utilize professional management in performing its duties hereunder. Any agreement for professional management of the Association's business shall have a maximum term of three (3) years and shall provide for termination by either party thereto, with or without cause, and without payment of a termination fee, within not more than ninety (90) days' prior written notice. Any contracts, licenses, or leases entered into by the Association while there is Declarant control of the Association shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, at any time after termination of Declarant control of the Association, within not more than ninety (90) days' prior written notice; provided, however, that any contract entered into at any time by the Association providing for services of the Declarant shall provide for termination at any time by either party thereto without cause and without payment of a termination fee within not more than ninety (90) day's prior written notice. In addition, any management agreements entered into by the Association with a manager or managing agent prior to the termination of the period of Declarant control shall be subject to review and



3308157 08/01/2005 03:49P Weld County, CO
19 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

approval by HUD or VA if, at the time such agreement is entered into, HUD has insurance or VA has a guarantee(s) on one (1) or more First Security Interests.

Section 6: Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine their qualifications, powers, and duties or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

**ARTICLE VI. SPECIAL DECLARANT RIGHTS AND
ADDITIONAL RESERVED RIGHTS**

Section 1: Special Declarant Rights. Declarant hereby reserves the right for a period of seven (7) years after this Declaration is recorded in the office of the Clerk and Recorder of Weld County, Colorado, to perform the acts and exercise the rights hereinafter specified ("the Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

- (a) Completion of Improvements. The right to complete or make improvements indicated on the Plat.
- (b) Exercise of Developmental Rights. The right to exercise any Expansion or Development Right reserved in Article VII of this Declaration.
- (c) Sales Management and Marketing. The right to maintain one (1) sales office, one (1) management office, and signs advertising the Common Interest Community.
- (d) Construction Easements. The right to use the Common Elements for the purpose of making improvements within the Common Interest Community or within the Real Estate. The right to construct and complete the construction of the Units, utilities, entrance signage, landscaping, Buildings, and all other improvements on the Real Estate and to repair and maintain the Common Elements.
- (e) Master Association. The right to make the Common Interest Community subject to the Master Association.



3308157 08/01/2005 03:49P Weld County, CO
20 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (f) Merger. The right to merge or consolidate a Common Interest Community with another Common Interest Community of the same form of ownership.
- (g) Control of Association and Executive Board. The right to appoint or remove any officer of the Association or any Executive Board member.
- (h) Amendment of Declaration. The right to amend and supplement the Declaration in connection with the exercise of any Expansion or Development Rights, and to amend and supplement the Declaration to the actual or proposed location of Lots, Commons Elements, Tracts, building(s) and/or Unit(s).
- (i) Amendment of Plat. The right to amend and supplement the Plat in connection with the exercise of any Expansion or Development Rights; amend and supplement the Plat to conform to the actual or proposed location of building(s) and/or Unit(s); and amend the Plat to relocate and change the configuration and size of Lots and Common Elements, and increase the number of Units to sixty (60).

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 Unit 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 Unit Owners and/or the Association.



3308157 08/01/2005 03:49P Weld County, CO
21 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (c) HUD, et al. Compliance. The Declarant reserves the right to make changes or revisions to the Declaration to comply with requirements of HUD, FannieMae (FNMA), FreddieMac (FHLMC), VA or FHA.
- (d) Other Rights. The right to exercise any Additional Reserved Right created by any other provision of this Declaration.

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

ARTICLE VII. RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS

Section 1: Expansion Rights. Declarant expressly reserves the right to construct up to fourteen (14) Buildings containing forty-six (46) Units upon the Real Estate and reallocate the Common Elements, the Common Expense Liability, and the votes in the Association to all such Units. The consent of the existing Unit Owners or Mortgagees shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation, at the Declarant's sole option.

Section 2: Amendment or Supplement of the Declaration. If Declarant elects to submit additional Units to this Declaration, Declarant shall record a supplement or an amendment to the Declaration for the additional Units, reallocating the Allocated Interests so that the Allocated Interests appurtenant to each Unit will be apportioned according to the Declaration. The Allocated Interests factor of the square footage of each Unit in the Common Interest Community, as expanded, shall be a fraction, the numerator of which shall be the square footage of each Unit, and the denominator of which shall be the total square footage of all Units within the Common Interest Community, as expanded.

Section 3: Amendment or Supplement to the Plat. Declarant shall, contemporaneously with the amendment of this Declaration, file a supplement to the Plat showing the additional Units submitted to this Declaration and the Units and Common Elements created within the Real Estate.

Section 4: Interpretation. Recording of supplements or amendments to the Declaration in the office of the Clerk and Recorder of Weld County, Colorado, shall automatically (i) vest in each existing Unit Owner the reallocated Allocated Interests appurtenant to his Unit; and (ii) vest in each existing Mortgagee a perfected Security



3308157 08/01/2005 03:49P Weld County, CO
22 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

Interest in the reallocated Allocated Interests appurtenant to the encumbered Unit. Upon the recording of an amendment or supplement to the Declaration, the definitions in this Declaration shall automatically be extended to encompass and to refer to the Common Interest Community, as expanded. All conveyances of Units after such expansion shall be effective to transfer rights in all Common Elements as expanded, whether or not reference is made to any amendment or supplement to the Declaration. Reference to the Declaration in any instrument shall be deemed to include all amendments and supplements to the Declaration without specific reference thereto.

Section 5: Maximum Number of Units. The maximum number of Units 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 Units allowed by any governmental entity having jurisdiction over the Real Estate, pursuant to any development plan for the Real Estate. Declarant shall not be obligated to expand the Common Interest Community beyond the number of Units initially submitted to this Declaration.

Section 6: 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 Unit 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 additional Units. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements. If Declarant grants any such easements, the Plat will be amended to include reference to the recorded easement.

Section 7: Termination of Expansion and Development Rights. The expansion and development rights reserved to Declarant, for itself and its successors and assigns, shall expire seven (7) 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 8: 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 Weld County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee.

3308157 08/01/2006 03:49P Weld County, CO
23 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

ARTICLE VIII. ASSESSMENT FOR COMMON EXPENSES

Section 1: Personal Obligation of Owners for Common Expenses. The Declarant, for each Unit owned, hereby covenants, and each Owner of any Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Common Expense Assessments imposed by the Association. Such Assessments, including fees, charges, late charges, attorney's fees, fines, and interest, charged by the Association shall be the personal obligation of the Unit Owner at the time when the Assessment or other charges became or fell due. The personal obligation to pay any past-due sums due the Association shall not pass to a successor in title unless expressly assumed by them.

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, repair, replacement, and maintenance of the Common Elements. There is one water tap and one sewer tap for each Building; water and sewer charges shall be assessed to the Unit Owners as a Common Expense. Common insurance for casualty, property damage, personal injury, flood, fidelity bonds, and other broad coverage as set forth in Section 6 of Article XV shall be a Common Expense.

Section 3: Budget. Within thirty (30) days after the adoption of any proposed budget for the Common Interest Community, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary, or as allowed for in the Bylaws. The Executive Board shall give notice to the Owners of the meeting as allowed for in the Bylaws. The budget proposed by the Executive Board does not require approval from the Owners and it will be deemed approved by the Owners unless the budget is rejected by a vote of more than fifty percent (50%) of all Owners, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last proposed by the Executive Board and not rejected by the Owners must be continued until a subsequent budget proposed by the Executive Board is not rejected by the Owners.

Section 4: 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 number of units within the Common Interest Community and the Owner of each Unit shall pay his proportionate share of such aggregate sum.

Section 5: Master Association Assessment. Each Unit Owner shall be assessed the assessment for his Unit necessary to pay the Master Association the dues imposed on

3308157 08/01/2005 03:49P Weld County, CO
24 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

this Common Interest Community. The Association shall pay the Master Association in accordance with a separate contract obligation.

Section 6: Initial Annual Assessment. Until the effective date of an Association budget with a different amount for the annual assessment, as provided above, the amount of the annual assessment against each Unit shall be computed at a rate to be set by the Executive Board. Assessments for the year 2006 shall be determined by budget as provided in Section 3 above.

Section 7: Accounting Year; Assessment Period. The Association shall operate on a calendar accounting year, i.e. January through December, and the Assessment period shall likewise be the calendar year. The first Assessment period shall be from the first of the month in which the first monthly installment shall be due through December 31 of that year.

Section 8: Date of Commencement of Annual Assessments; Due Dates. The annual Assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of a Unit by the Declarant to a Purchaser. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Executive Board shall fix the amount of the annual Assessment against each Unit at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Executive Board. The Executive Board may, at its discretion, permit annual assessments to be payable in twelve (12) equal monthly installments.

Section 9: Special Assessments. In addition to the annual assessments authorized in this Article, the Executive Board may levy, in any fiscal year, with the approval of the votes of two-thirds (2/3) of the Members voting in person or by proxy at a meeting duly called for this purpose, 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 upon the Common Elements or any property for which the Association has repair and/or reconstruction obligations, including fixtures and personal property related thereto, or for repair or reconstruction of any damaged or destroyed improvements, or for the funding of any operating deficit incurred by the Association. Any such special assessment shall be set against each Unit in accordance with the Allocated Interests therefor. A meeting of the Members called for the purpose of considering the establishment of a special assessment shall be held in conformance with the Bylaws. Notwithstanding the foregoing, special assessments levied during the period of Declarant control may not be used for the purpose of constructing capital improvements.

Section 10: Reserve Fund. Upon the sale, transfer, or conveyance of a Unit, the purchaser or transferee shall deposit with the Association as a reserve fund an amount equal



3308157 08/01/2005 03:49P Weld County, CO
25 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

to one-fourth of the annual assessment established by the Executive Board for the year in which the transfer occurs. If, at any time, an Owner is in default in the payment of any assessments due to the Association, the Association shall have the right to use said reserve, or as much thereof as may be necessary, to pay any delinquent amount owed to the Association and to reimburse the Association for any expenses incurred by the Association in collecting delinquent assessments from the Owner. In such event, the Owner shall, upon written demand of the Association, promptly remit to the Association a sufficient amount of cash to restore the reserve to its original amount. In the event the reserve account is not used to make delinquent payments, then it shall be refunded to the Owner upon the sale of the Owner's Unit without interest. The Association shall have the right to commingle the reserve account with other funds of the Association and shall have no obligation to retain the reserve funds in a separate account or pay interest on the reserve funds. The reserve account shall not be deemed to be liquidated damages, and if claims of the Association against an Owner exceed the reserve account, the Owner shall remain liable for the payment of the balance of such claims to the Association.

Section 11: Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves shall be retained by the Association as reserves and need not be paid to the Owners in proportion to their Common Expense Liability or credited to them to reduce their future assessments.

Section 12: Statement of Assessment. The Association shall furnish to an Owner, an Owner's designee, or to an eligible Mortgage or its designee, a written statement setting forth the unpaid assessment, and if such statement is not provided to the inquiring party within fourteen (14) days after receipt of the request, then the Association will have no right to assert a lien upon the Unit for unpaid assessments that were due as of the date of the request.

ARTICLE IX. LIEN FOR NONPAYMENT OF COMMON EXPENSES

Section 1: Priority of Association Lien.

(a) The Common Expense Assessments of the Association shall be a continuing lien upon the Unit against which each Assessment is made. A lien under this Section is prior to all other liens and encumbrances on a Unit, except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a first-lien security interest on the Unit; and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not prohibit an action to recover sums for which this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Unit



3308157 08/01/2005 03:49P Weld County, CO
26 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

shall not affect the Association's lien, except that sale or transfer of any Unit pursuant to a foreclosure of any first-lien security interest or any proceeding in lieu thereof, including deed in lieu of foreclosure or cancellation or forfeiture, shall only extinguish the Association's lien as provided in the Act. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure nor cancellation nor forfeiture, shall relieve any Unit from continuing liability for any Common Expense Assessments thereafter becoming due nor from the lien thereof.

(b) A lien under this Section is also prior to the First Security Interests described in the preceding subsection (a)(2) to the extent of an amount equal to the annual assessment based on a periodic budget adopted by the Association as provided above which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this Section of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien.

(c) The lien in favor of the Association is not subject to any claim for homestead exemption or any other exemption, right to elective share, allowances or other provisions of testate or intestacy laws providing preferential treatment or exemption, and each Unit Owner and that Owner's spouse, heirs, successors, representatives, and assigns by acceptance of ownership of a Unit hereby waives with respect to the lien of the Association all claims for such exemptions or preferential treatment otherwise provided by state or federal laws.

Section 2: Effect of Nonpayment of Assessments; Remedies of Association. 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 Unit 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 Unit. 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 X. 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 Unit 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 Unit 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 Unit Owner whose Unit is subject to a First Security Interest held, insured, or guaranteed by such Mortgagee or Insurer, as applicable, which remains uncured for a period of sixty (60) days.

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Mortgagees as specified in Section 4 of this Article X.

(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 Unit Owners shall be effective without notice to all Mortgagees and Insurers, and the vote of at least sixty-seven percent (67%) of the total votes of all Unit Owners (or any greater Unit 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



3308157 08/01/2005 03:49P Weld County, CO
28 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

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) Reallocation of interests in the Common Elements or Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and the Mortgagees holding Security Interests in such Units need approve such action.
- (6) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved or a Unit is being subdivided, then only those Unit Owners and the Mortgagees holding Security Interests in such Unit or Units must approve such action.
- (7) Convertibility of Units into Common Elements or Common Elements into Units.
- (8) 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.
- (9) Insurance or fidelity bonds.
- (10) Leasing of Units.
- (11) Imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit.

3308157 08/01/2005 03:49P Weld County, CO
29 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (12) A decision by the Association to establish self-management when professional management had been required previously by the Declaration or any Mortgagee.
- (13) Restoration or repair of the Common Elements after a hazard damage or partial condemnation in a manner other than that specified in the Declaration.
- (14) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation of the Common Elements.
- (15) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

(b) Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to the Declarant as Special Declarant Rights, 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 alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case, only the Owners of Units affected and Mortgagees of those Units need approve the action.



3308157 08/01/2005 03:49P Weld County, CO
30 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (4) 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).
- (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: Development Rights.

(a) No Development Rights may be voluntarily abandoned or terminated by the Declarant unless all persons holding Security Interests in the Development Rights consent to the abandonment or termination.

(b) In the event that Development Rights are exercised following seven (7) years after recordation in the office of the Clerk and Recorder of Weld County, Colorado, of this Declaration, they may not be exercised without consent to the extension of this period of fifty-one percent (51%) of the Mortgagees at the time of the extension.



3308157 08/01/2005 03:49P Weld County, CO
31 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

Section 5: 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 6: Financial Statements. The Association shall provide any Mortgagee or Insurer who submits a written request a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if any Mortgagee or Insurer requests it, in which case the Mortgagee or Insurer shall bear the cost of the audit.

Section 7: 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 8: Attendance at Meetings. Any representative of a Mortgagee or Insurer may attend and address any meeting that an Owner may attend.

Section 9: 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 there-after 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.

ARTICLE XI. LIMITED COMMON ELEMENTS

Section 1: Limited Common Elements. "Limited Common Elements" means a portion of the Common Elements designated in this Declaration or on the Plat or by the Act for the exclusive use of one or more, but fewer than all, of the Units. In addition to those portions of the Common Elements described in Section 38-33.3-202(1)(b) and (1)(d) of the Act, the following are designated as Limited Common Elements: entryways, sidewalks, and patios.

Section 2: Allocation of Reserved Limited Common Elements. Portions of the Common Elements may be designated on the Plat as Common Elements, which may be allocated as Limited Common Elements. The Declarant reserves the right to allocate specified areas that constitute a part of these Common Elements as Limited Common Elements for the exclusive use of the Owners of Units to which the specified areas shall become appurtenant. The Declarant may assign such Common Elements as Limited Common Element areas pursuant to the provisions of Section 38-33.3-208 of the Act by



3308157 08/01/2005 03:49P Weld County, CO
32 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

making such an allocation in a recorded instrument or in the deed to the Unit to which such Limited Common Element area shall be appurtenant or by recording an appropriate amendment or supplement to this Declaration. Such allocation by the Declarant may be to Units owned by the Declarant. The right of allocation pursuant to this Section shall pass from the Declarant to the Executive Board, and the Declarant may not thereafter exercise any such right of allocation subsequent to the date which is seven (7) years after this Declaration is recorded in the office of the Clerk and Recorder of Weld County, Colorado. The period of Declarant control as herein set forth is subject to the limitations of Section 38-33.3-303(5) of the Act.

Section 3: Allocation of Specified Common Elements. The Executive Board may designate part of the Common Elements from time to time for use by less than all of the Unit Owners or by nonowners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Executive Board. Any such designation by the Executive Board shall not be a sale or disposition of such portion of the Common Elements.

ARTICLE XII. MAINTENANCE, REPAIR AND REPLACEMENT OF LIMITED COMMON ELEMENTS

Section 1: Limited Common Elements. The Owner of a Unit to which any doorstep, porch, balcony or patio, is allocated shall be responsible for removal of any snow, leaves, and debris therefrom. The Owner shall also be responsible for the maintenance and upkeep of any trees, shrubs, flowers, and other landscaping within a patio area designated as a Limited Common Element on the Condominium Map.

Section 2: Expense Allocation. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed equally against the Units to which the Limited Common Element is assigned.

ARTICLE XIII. EASEMENTS

Section 1: Recorded Easements. In addition to all easements and rights-of-way of record at or before the recording of this Declaration, the Real Estate, and all portions thereof, shall be subject to the easements as shown on any existing or subsequently recorded Condominium Map of the Real Estate, or any portion thereof. Further, the Real Estate, or portions thereof is now or may hereafter be subject to the easements, licenses and other recorded documents, or any of them, set forth on Exhibit "B" attached hereto and incorporated herein by this reference.



3308157 08/01/2005 03:49P Weld County, CO
33 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

Section 2: Encroachments. In the event that any portion of the Common Elements encroaches upon any Unit or in the event that any portion of a Unit encroaches upon any other Unit or upon any portion of the Common Elements, or in the event any encroachment shall occur in the future as a result of: (i) settling of a Building; (ii) alteration or repair to the Common Elements and any improvements thereof; or (iii) repair or restoration of one (1) or more Buildings and/or Unit(s) after damage by fire or other casualty, or condemnation of eminent domain proceedings, then, in any of said events, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the encroachment exists. In the event that any one (1) or more of the Units, Buildings or other improvements comprising part of the Common Elements are partially or totally destroyed and are subsequently rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding or reconstruction, any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall then exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Units for purposes of marketability of title or other purposes. In interpreting any and all provisions of this Declaration, subsequent deeds, mortgages, deeds of trust or other Security Interests relating to Units, the actual location of a Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding any minor deviations, either horizontally, vertically or laterally, from the location of such Unit as indicated on the Condominium Map.

Section 3: Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergencies agencies or persons to enter upon all Common Elements in the proper performance of their duties.

Section 4: Access and Utility Easements. There is hereby created a blanket easement upon, across, over, and under the Common Elements for ingress and egress to and from each Unit and for utilities and the installation, replacement, repair and maintenance of utilities, including, but not limited to, water, sewer, gas, telephone, electricity, and master television antenna or cable systems, if any. By virtue of this blanket easement, it shall be expressly permissible to erect and maintain the necessary facilities, equipment, and appurtenances on the Common Elements and to affix, repair, and maintain water and sewer pipes, gas, electric, telephone and television wires, cables, circuits, conduits and metes. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, the Association shall have the right and authority to grant such easements upon, across, over or under any part or all of the Common Elements without conflicting with the terms hereof. The easement provided for in this Section 4 shall in no way affect, void, extinguish or modify any other recorded easement(s) on the Common Elements.



3308157 08/01/2005 03:49P Weld County, CO
34 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

Section 5: Maintenance Easement. An easement is hereby granted to the Association, its officers, agents, employees and assigns upon, across, over, in and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform pursuant to this Declaration, including the right to construct and maintain on the Common Elements, maintenance and storage facilities for use by the Association.

Section 6: Drainage Easement. An easement is hereby granted to the Association, its officers, agents, employees and assigns to enter upon, across, over, in and under any portion of the Common Elements for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Real Estate so as to improve the drainage of water on the Real Estate. The Association shall maintain the drainage system to permit free flow.

Section 7: Easements of Access or Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within individual Units or may be conveniently accessible only through individual Units. The Owners of other individual Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each individual Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal or replacement of any of the Common Elements located therein or accessible therefrom, or for making emergency repairs therein, necessary to prevent damage to the Common Elements or to any individual Unit. The Association shall also have such right, independent of any agency relationship. Damage to the interior of any part of a Unit resulting from maintenance, repair, emergency repair, removal or replacement of any of the Common Elements or as a result of emergency repairs within any individual Unit at the instance of the Association or any Owner, shall be an expense of all the Owners. Non-emergency repairs shall be made only during regular business hours on business days after twenty-four (24) hours' notice to the occupants of the individual Unit wherein such repairs are to be made, except where the occupants have no objections to earlier entry for repairs. In emergency situations, the occupants of the affected individual Unit shall be warned of impending entry as early as is reasonably possible.

Section 8: Easements Deemed Created. All conveyances of Units hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article XIII, even though no specific reference to such easements or this Article XIII appears in the instrument for such conveyance.

3308157 08/01/2005 03:49P Weld County, CO
35 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

ARTICLE XIV. RESTRICTIONS ON USE AND OCCUPANCY

Section 1: Use and Occupancy Restrictions. Subject to the Development Rights and Special Declarant Rights reserved by the Declarant, the following use restrictions apply to Units and to the Common Elements:

(a) Residential Use. Each Unit shall be occupied and used for single-family, Residential Use by the Owner of the Unit, his family, and their guests or tenants. This restriction as to Residential Use, however, shall not apply to the Declarant, its agents, employees, and assigns, to the extent that the Declarant has reserved rights to conduct a sale or management office from one of the Units, as provided in Article V, Section 1(b), or for business uses as defined in (b) below. Further, there may be assisted living provided to the residents of a Unit. Fifty percent (50%) of the Unit Owners purchasing directly from the Declarant must occupy the Unit. After the sale of a Unit by the Unit Owner purchasing directly from the Declarant, there shall be no restriction against tenant occupancy.

(b) Business Uses. The Owner or a tenant may conduct business activity within their respective Units as long as:

- (1) The existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit;
- (2) The business activity complies with all zoning requirements for the Common Interest Community;
- (3) No employees or other persons (except for the Owner, members of the Owner's immediate family, and the tenant as referenced above) work for the business at the Unit;
- (4) The business activity does not involve regular visits to the Unit by clients, customers, suppliers, or other business invitees, and does not involve door-to-door solicitation of other residents of the Common Interest Community;
- (5) The business activity does not involve processing, storing or shipping significant quantities of materials to or from the Unit; and



3308157 08/01/2005 03:49P Weld County, CO
36 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

- (6) The business activity is consistent with the residential character of the Common Interest Community, does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Unit Owners, as may be determined in the sole discretion of the Executive Board.

The terms "business" and "trade," as used herein, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis involving the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

(c) Animals. The Owner of each Unit may keep a small dog, cat, or other household pet, provided the pet is kept inside the Unit and/or the Limited Common Area exclusively for that Unit. The pet shall not cause a nuisance nor shall it cause any damage to the Common Elements, and all fecal droppings must be cleaned up by the Owner. Visitors, guests, renters, or other occupants shall not be allowed to keep any pets. All pets, while in the Common Area, shall be attended by the Owner. The Executive Board shall have the power to adopt from time to time rules and regulations for the governance of household pets, including size, noise level, control and such other areas of animal care required to assure that the pet is not a nuisance.

(d) Exterior Structures Other Than Antennas. No exterior storage shed or similar structure of any sort shall be placed, allowed, or maintained upon any portion of the Common Interest Community.

(e) 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 Executive Board.

In the consideration and approval process of the Executive Board concerning antennas, the Executive Board 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:

- (1) unreasonably delays or prevents installation, maintenance or use, or
- (2) unreasonably increases the cost of installation, maintenance, or use, or
- (3) 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:

- (1) 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.
- (2) 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.



3308157 08/01/2005 03:49P Weld County, CO
38 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

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.

(f) Vehicular Parking, Storage, and Maintenance. No house trailer, camping trailer, horse trailer, camper, camper shells, boat trailer, hauling trailer, boat or boat accessories, truck larger than one tone, recreational vehicle or equipment, mobile home, or commercial vehicle may be parked or stored anywhere within the Common Interest Community so they are visible from neighboring Units or from the street for a period of more than three (3) days except in emergencies or as a temporary expedience. This applies to vehicles referred to above even if they are licensed by the State of Colorado or any other jurisdiction as "passenger vehicles." No emergency or temporary parking or storage shall continue for more than seventy-two (72) hours.

Automobile and/or truck parking will be subject to regulations and restrictions by the Executive Board. Parking is not allowed on landscaped or lawn areas.

No abandoned, unlicensed, wrecked or inoperable vehicles of any kind shall be stored or parked within the Common Interest Community except in emergencies. Any "abandoned or inoperable vehicle" shall be defined as any of the vehicles listed above or any other kind of passenger vehicle which has not been driven under its own propulsion for a period of one (1) week or longer, or which does not have installed within it an operable propulsion system; provided, however, that any vehicle belonging to any Owner which is otherwise permitted will not be deemed to be abandoned while the Owner is ill or out of town. The Executive Board shall have the right to remove and store a vehicle in violation of this paragraph, the expenses of which shall be levied against the Owner of the vehicle as an Individual Assessment.

Only preventive vehicle maintenance shall be allowed within the Common Interest Community.

(g) Signs and Advertising. No signs, advertising, billboards, or unsightly objects shall be placed, erected, or permitted to remain in or on any Unit or any part of the Common Interest Community, except that one (1) sign advertising a Unit for sale or rent may be placed in a window of a unit. The foregoing provisions of this Section shall not apply to any reasonable signs, advertising, or billboards erected by



3308157 08/01/2005 03:49P Weld County, CO
39 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

the Declarant in connection with the sale or rental of Units or otherwise in connection with its development of the Common Interest Community. Unit designations and Owner's name plaques shall be permitted to be placed on each Unit as designated by the Declarant.

(h) Nuisance. No Unit or any part of the Common Interest Community shall be used in any way or for any purpose which may endanger the health, safety, or welfare of any Owner or occupant of a Unit or which may unreasonably disturb the other Owners or occupants of Units or which may constitute a nuisance.

(i) No Unsightliness. No activity shall be conducted on any part of the Common Interest Community which is or might be unsafe, unsightly, unhealthy, or hazardous to any person. Without limiting the generality of the foregoing, nothing shall be kept or stored on or in the Common Elements, including areas which are Limited Common Elements; and nothing shall be placed on or in windows or doors of Units, which would or might create an unsightly appearance.

Patios and balconies shall not be used for storage of bicycles. No activity shall be conducted on any part of the Common Interest Community that is or might be unsafe or hazardous to any person. All rubbish, trash or garbage shall be regularly removed from the Common Interest Community and shall not be allowed to accumulate thereon. Awnings and patio covers are not allowed.

(j) Prohibition of Certain Activities. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would result in the cancellation of the insurance on the Common Interest Community or increase the rate of the insurance on the Common Interest Community over what the Association, but for such activity, would pay, without the prior written consent of the Executive Board. Hazardous material of any nature shall not be allowed within the Common Interest Community.

Nothing shall be done or kept in any Unit or in the Common Elements which would be in violation of any statute, ordinance, regulations, or other validly imposed requirement of any governmental body. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein which may be or may become an annoyance or nuisance to others. No sound or vibration shall be emitted on any part of the Common Interest Community which is unreasonably loud or annoying.

(k) Damage to Unit. All damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of



3308157 08/01/2005 03:49P Weld County, CO
40 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

the Common Elements, at the instance of the Association, shall be paid for as part of the Common Expense Assessment by all of the Owners. No diminution or abatement for Common Expense Assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be substantially the same as the condition in which they existed prior to damage.

Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the costs of repairing such damage. In the event the Owner fails, within a reasonable time upon proper notice, to pay the cost of the damages incurred, the Executive Board may pay for said damages and charge the Owner responsible as an Individual Assessment.

(1) Rules and Regulations. The Association, through the Executive Board, may adopt reasonable rules and regulations not inconsistent with this Declaration governing the use of the Common Elements.

Section 2: Restrictions on Alienation. A Unit may not be conveyed pursuant to a time sharing arrangement. A Unit may not be leased or rented for a term of less than thirty (30) days without prior written approval of the Executive Board. All leases and rental agreements shall be in writing and subject to reasonable requirements of the Executive Board.

ARTICLE XV. GENERAL PROVISIONS

Section 1: Dispute Resolution.

(a) Enforcement. Enforcement of this Declaration shall be by binding arbitration conducted as provided in the Colorado Uniform Arbitration Act against those persons or entities violating or attempting to violate any covenant, condition, or restriction herein contained. Such 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 proceedings may be prosecuted by an Owner or by the Association. In the event it becomes necessary to commence an action to enforce this Declaration, the arbitration shall be commenced within a reasonable period of time and the arbitrator shall award to the prevailing party in such proceeding, in addition to such damages as the arbitrator may deem just and proper, an amount equal to the costs and reasonable attorney's fees incurred by

3308157 08/01/2005 03:49P Weld County, CO
41 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

the prevailing party in connection with such proceeding. 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.

(b) Claim in Tort or Contract. Any claim brought by an Owner, occupant of a Unit or guest in tort or contract against any Owner, the guest or tenant of any Owner, the Association or the Declarant shall be resolved by arbitration conducted as provided in the Colorado Uniform Arbitration Act. Entry on and/or ownership of a part of the Common Interest Community constitutes consent to this provision.

(c) Class Action. All Owner(s), tenants of Owner(s), Member(s) of the Association, and guests by their purchase and/or occupancy of a Unit or a part of the Common Interest Community waive their right and agree that they shall not be a party to any class action that may be claimed to have arisen because of the construction, materials or workmanship of the Common Elements, or because of any alleged tort on the premises of the Common Interest Community or contract, including, but not limited to, any claim against a person or company that is insured or is providing insurance as set forth in Section 5 of this Article, and/or any coverage contracted by a Unit Owner or tenant of a Unit for their protection and the protection of their guest and/or property.

(d) In consideration of the above waivers and agreements, the Declarant shall, at its expense, provide a six (6)-year limited warranty ("Home Builder's Limited Warranty") coverage on all new Unit purchases; and further in consideration of the above waivers and agreements the Declarant, Unit Owners, tenants and guests acknowledge the benefits of arbitration and the waiver of the right to class actions.

Section 2: Duration. This Declaration shall run with the land, shall be binding upon all persons owning Units and any persons hereafter acquiring said Units, 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 by a vote of sixty-seven percent (67%) or more of the votes entitled to be cast by all Unit Owners through a duly written and recorded instrument. Except, the Declarant reserves the right to make changes during Declarant control to comply with requirements of HUD, FannieMae (FNMA), FreddieMac (FHLMC), VA or FHA.

Section 4: Water and Sewer Service. Each Building shall have one (1) water tap and one (1) sewer tap serving all Units within the Building. The cost of water and sewer

service shall be paid by the Association and shall be assessed by the Association as a Common Expense.

Section 5: Insurance.

(a) Insurance for Fire and Other Perils. The Association shall obtain, maintain, and pay the premiums upon, as a Common Expense, a "master" or "blanket" type policy of property insurance covering all of the Common Elements and Limited Common Elements, (except land, foundation, excavation and other items normally excluded from coverage) including fixtures, to the extent that they are part of the Common Elements of the condominium, building service equipment and supplies, and other common personal property belonging to the Association. All references herein to a "master" or "blanket" type policy of property insurance, are intended to denote single entity condominium insurance coverage. In addition, any fixtures, equipment or other property within the Units which are to be financed by a mortgage to be purchased by FNMA or FHLMC (regardless of whether or not such property is a part of the common elements) must be covered in such "blanket" or "master" policy.

The policy shall be consistent with state and local insurance laws and equal to such coverage as is commonly required by prudent institutional mortgage investors in Weld County, Colorado. The policy shall be in an amount equal to 100% of current replacement cost of the condominium exclusive of land, foundation, excavation and other items normally excluded from coverage.

The name of the insured under such policies must be set forth therein as The Reserve at Hunter's Cove Condominium Association, or any successor association of the Owners.

The policies may also be issued in the name of an authorized representative of the Association, including any insurance trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor Trustee, as insured, for the use and benefit of the individual owners. Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee, for each Unit Owner and each such Owner's Eligible Mortgagee. The Association or insurance trustee, if any, must be required to hold any proceeds of insurance in trust for Owners and their first mortgage holders, as their interests may appear. Each Owner and each Owner's Eligible Mortgagee, if any, shall be beneficiaries of the policy in the percentage of ownership in the Common Elements. Certificates of insurance shall be issued to each Owner and Eligible Mortgagee upon request.



3308157 08/01/2005 03:49P Weld County, CO
43 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

Such policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in Weld County, Colorado and which appropriately names FNMA and FHLMC if such corporations are holders of first mortgages on Units. Such policies must also provide that they may not be cancelled or substantially modified, without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage listed as a scheduled Eligible Mortgagee in the policies.

Policies are unacceptable where: (i) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC; or (ii) by the terms of the carrier's character, by-laws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members, or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA, FHLMC, or the borrowers from collecting insurance proceeds.

The policies must also provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Owners individually; that the insurance is not prejudiced by any act or neglect of individual Owners which is not in control of such owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss. The requirements stated in this paragraph are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent.

The insurance policy shall afford, as a minimum, protection against the following:

- (1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and
- (2) all other perils which are customarily covered with respect to condominiums similar in construction, location and use, including all perils normally covered by the standard "all-risk" endorsement, where such is available. In addition, to meet FNMA requirements the policies include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement." FHLMC requires the forgoing endorsements only if they are available and are commonly required by prudent



3308157 08/01/2005 03:49P Weld County, CO
44 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

institutional mortgage investors in the area in which the condominium is located.

(b) Liability Insurance. The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Elements. Coverage shall be for at least \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Association. The policies shall provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association and to each Eligible Mortgagee on any Unit that is listed on a schedule of Eligible Mortgagee(s) in the insurance policy. FNMA and FHLMC may also require such coverage to include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and size including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, and comprehensive automobile insurance liability insurance.

(c) Flood Insurance. FNMA and FHLMC will not purchase any mortgage secured by a condominium property located in an area which has been identified by the Secretary of Housing and Urban Development as having special flood hazards (by publication in the Federal Register of a Flood Insurance Boundary Map or Insurance Rate Map) for which flood insurance is not available because the community in which the condominium is located is ineligible for participation in the National Flood Insurance Program, except for any mortgage which was closed prior to July 1, 1975 or is closed within one year following the publication of the Flood Hazard Boundary Map, whichever is later.

Where the condominium is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), the Association must obtain and pay the premiums upon, as a common expense, a "master" or "blanket" policy of flood insurance on the Common Elements, in an amount deemed appropriate by the Association, but not less than the following:



3308157 08/01/2005 03:49P Weld County, CO
45 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

The lesser of: (a) the maximum coverage available under the NFIP for all buildings and other insurable property within the Common Elements to the extent that such buildings and other insurable property are within an area having special flood hazards; or (b) 100% of current "replacement cost" of all such buildings and other insurable property within such area.

Such policy shall be in a form that meets the criteria set forth in the most current Guidelines on the subject issued by the Federal Insurance Administrator.

(d) Fidelity Bonds. The Association shall maintain blanket fidelity bonds for all officers, directors, and any employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association. Where the management agent has the responsibility for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all Units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Association as a common expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association or Insurance Trustee. The Federal National Mortgage Association also requires, as a condition to approval of the condominium projects, that such bonds provide that FNMA Servicer, on behalf of FNMA, also receive such notice of cancellation or modification.

(e) Insurance Trustees; Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any



3308157 08/01/2005 03:49P Weld County, CO
46 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

Each Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

(f) Qualifications of Insurance Carriers. FNMA and FHLMC reserve the right to set standards and qualifications for insurance carriers. The Association shall use generally acceptable insurance carriers. Reference is made to the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Seller's Guide for specific requirements regarding the qualifications of carriers.

Section 6: Condemnation and Total or Partial Loss or Destruction. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or parts thereof, by the condemning authority. Each Owner by acceptance of a deed appoints the Association as attorney-in-fact for such purpose.

The Association may appoint a Trustee to act on behalf of the Owners, in carrying out the above functions, in lieu of the Association.

In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any Trustee, to be held in trust for Unit Owners and their Eligible Mortgagee as their interests may appear to the extent not herein otherwise provided the Act shall govern.

Section 7: Open Flame and Outdoor Cooking. The insurer of the Units may have special requirements for open flames and outdoor cooking, and in such case the Board of Directors may adopt such rules as shall be required to meet the requirements for insurance coverage of the Units with special premium rates.

EXHIBIT "A"

ALLOCATED INTEREST

THE RESERVE AT HUNTER'S COVE CONDOMINIUMS

The following is the Allocated Interest for the first six (6) Units completed as shown on the Plat filed June 28, 2005, at Reception No. 3298494, and the First Supplement Plat filed contemporaneously with this Declaration or in reference thereto.

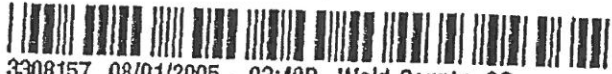
<u>Identification Of Unit</u>	<u>Common Expense Liability</u>	<u>Association Membership Votes</u>
Bldg. 4, Unit 1	1	1
Bldg. 4, Unit 2	1	1
Bldg. 4, Unit 3	1	1
Bldg. 4, Unit 4	1	1
Bldg. 5, Unit 1	1	1
Bldg. 5, Unit 2	1	1

The total number of Units is six (6) and each Unit will share one-sixth (1/6) of the Common Expense Liability, and each Unit will have one (1) vote of a total of forty-six (46) votes in the Association.



3308157 08/01/2005 03:49P Weld County, CO
49 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

EXHIBIT "B"



3308157 08/01/2005 03:49P Weld County, CO
50 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

1. The following items as set forth on the plat of Hunter's Cove 2nd Replat, to-wit:
 - a. Easements as shown on said plat.
 - b. General notes.
2. The right of 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 as reserved in United States patent recorded in Book 57 at Page 198; and any and all assignments thereof or interest therein.
3. An undivided one-half interest in all oil, gas and other minerals as reserved by Lillian E. Morris in that deed recorded February 18, 1947 in Book 1198 at Page 79, and any and all assignments thereof or interests therein.
4. An undivided one-half interest in all oil, gas and other minerals as reserved by Wayne E. Deason, Ruth L. Elliott, Lois McCloskey and Isla M. Mahan by Mineral Deed recorded June 22, 1964 in Book 517 at Reception No. 1438966, and any and all assignments thereof or interests therein.
5. An undivided full interest in all oil, gas and other minerals as reserved by Wayne E. Deason in that deed recorded June 10, 1980 in Book 905 at Reception No. 1827143, and any and all assignments thereof or interests therein.
6. An Oil and Gas Lease, from William N. Mahan and Isla M. Mahan as Lessor(s) to Transcontinental Oil Company as Lessee(s) dated August 29, 1981, recorded November 2, 1981 in Book 951 at Reception No. 1873430, and any and all assignments thereof or interests therein.
7. An Oil and Gas Lease, from A.J. McCloskey and Lois C. McCloskey as Lessor(s) to Transcontinental Oil Company as Lessee(s) dated August 19, 1981, recorded November 2, 1981 in Book 951 at Reception No. 1873431, and any and all assignments thereof or interests therein.
8. An Oil and Gas Lease, from William J. Elliot and Ruth I. Elliot as Lessor(s) to Transcontinental Oil Company as Lessee(s) dated August 29, 1981, recorded November 2, 1981 in Book 951 at Reception No. 1873432, and any and all assignments thereof or interests therein.
9. An Oil and Gas Lease, from Wayne E. Deason and Audrey L. Deason as Lessor(s) to Transcontinental Oil Company as Lessee(s) dated August 29, 1981, recorded November 2, 1981 in Book 951 at Reception No. 1873433, and any and all assignments thereof or interests therein.
10. An Oil and Gas Lease, from Clarence Morris as Lessor(s) to Transcontinental Oil Company as Lessee(s) dated March 20, 1982, recorded April 14, 1982 in Book 965 at Reception No. 1888630, and any and all assignments thereof or interests therein.



3308157 08/01/2005 03:49P Weld County, CO
51 of 51 R 256.00 D 0.00 Steve Moreno Clerk & Recorder

11. An Oil and Gas Lease, from Edith I. Morris as Lessor(s) to Transcontinental Oil Company as Lessee(s) dated April 14, 1982, recorded April 21, 1982 in Book 966 at Reception No. 1889329, and any and all assignments thereof or interests therein.
12. Terms, conditions, provisions, agreements and obligations specified under the Development Agreement by and between The City of Greeley, Colorado and Harvey Shupe recorded July 30, 1997 in Book 1618 at Reception No. 2560505.
13. Covenants, conditions and restrictions, which do not include a forfeiture or reverter clause, set forth in the instrument recorded October 31, 1997 at Reception No. 2576871. Amendments of said covenants, conditions and restrictions by an instrument recorded December 15, 1997 at Reception No. 2584337, June 25, 2001 at Reception No.s 2860160, 2860161, 2860162, and May 14, 2003 at Reception No. 3062679. Provisions regarding race, color, creed, and national origin, if any, are deleted.
14. Covenants, conditions and restrictions, which do not include a forfeiture or reverter clause, set forth in the instrument recorded November 30, 2001 at Reception No. 2904576. Provisions regarding race, color, creed, and national origin, if any, are deleted.
15. Covenants, conditions and restrictions, which do not include a forfeiture or reverter clause, set forth in the instrument recorded August 19, 2002 at Reception No. 2979413. Provisions regarding race, color, creed, and national origin, if any, are deleted.
16. An easement for water and incidental purposes granted to the City of Greeley by the instrument recorded on March 22, 2005 at Reception Number 3270586.

NOTE: Item(s) 4, 5 and 6, above refer to recorded evidence that a mineral estate has been severed, leased, or otherwise conveyed from the surface estate.