

**DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS**

This Declaration of Covenants, Conditions, Easements and Restrictions ("Declaration") is made as of March 1, 2008, by ADA, INC., a Colorado corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real estate situated in the County of Larimer and State of Colorado, which is more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter referred to as the "Property" or the "Subdivision");

WHEREAS, Residential dwellings and improvements will be constructed by select builders upon lots comprising the majority of the Property and in connection therewith, Declarant desires to: maintain the attractiveness of the Property and improvements to be constructed thereon; prevent any future impairment thereof; prevent nuisances therein; preserve, protect and enhance the values and amenities of the Property and all improvements to be constructed thereon;

WHEREAS, the Property is included within and, for purposes hereof, comprises all of the property within the Deer Meadows Metropolitan District, said District having been duly organized pursuant to Order and Decree to Create District issued on November 21, 2005 by the District Court, Larimer County, Colorado, Case No. 05 CV 1291 and pursuant to the Service Plan for the District, the Board of Directors thereof shall have the power to furnish covenant enforcement and design review services within the District if named as the enforcement and/or design review entity within a declaration or similar document containing covenants to be enforced for the District;

WHEREAS, in order to achieve the foregoing, Declarant is desirous of subjecting the Property and all lots comprising the Property to the covenants, conditions, restrictions, easements, charges and liens set forth herein, each and all of which is and are for the benefit of the Property and each owner of a lot thereof;

WHEREAS, Declarant has deemed it desirable to delegate and assign the powers of administering and enforcing all or various portions of this Declaration to the District; and

WHEREAS, this Declaration does not create a Common Interest Community, as defined by the Colorado Common Interest Ownership Act at C.R.S. § 38-33.3-103(8); therefore, these Covenants shall not be governed by the Colorado Common Interest Ownership Act;

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

**ARTICLE I
DEFINITIONS**

When used in this Declaration, the following words (unless the context shall prohibit or there shall be a specific statement to the contrary) shall have the following meanings:

- A. "Board" shall mean and refer to the governing body of the District.
- B. "Declarant" shall mean and refer to ADA, Inc., a Colorado corporation, its successors and assigns, if such successors and assigns are specifically assigned any of the Declarant's rights hereunder by instrument duly recorded in the real estate records of Larimer County, Colorado.
- C. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, Easements and Restrictions, as it may be supplemented or amended from time to time.
- D. "Design Guidelines" shall mean those certain design guidelines established by Declarant for Deer

✓ Please return to:
DMMO
9201 East Berry Ave.
Greenwood Village, CO 80111

Meadows as amended from time to time.

E. "District" shall mean and refer to the Deer Meadows Metropolitan District, duly organized pursuant to Order and Decree to Create District issued on November 21, 2005, by the District Court, Larimer County, Colorado, Case No. 05 CV 1291.

F. "Ditch Company" shall mean the Consolidated Home Supply Ditch and Reservoir Company, a Colorado mutual irrigation company.

G. "Drainage Plan" shall mean that final drainage plan for the Subdivision as approved by the City of Loveland, Colorado, dated May 31, 2007 and prepared by Landmark Engineering.

H. "Dwelling" shall have the same meaning as "Residence."

I. "Final Development Plan" shall mean and refer to the final development plan for the Property as approved by the City of Loveland, Colorado.

J. "George Rist Ditch" shall mean and refer to that irrigation and drainage ditch depicted upon the Plat and owned, operated and maintained by the Ditch Company.

K. "Golf Course" shall mean and refer to Marianna Butte, a public golf course owned and operated by the City of Loveland, Colorado.

L. "Golf Course/Ditch Features" shall have the meaning set forth in Article V, Section 5.3.

M. "Lot" shall mean and refer to a physical portion of the Property which is designated for separate ownership or occupancy, the identification number and the boundaries of which are depicted on the Plat.

N. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding contract buyers, Declarant and those having such interest merely as security for the performance of an obligation.

O. "Open Space" shall mean and refer to all lands within the Property, exclusive of the Lots and roads.

P. "Open Space Features" shall have the meaning set forth in Article V, Section 5.3.

Q. "Period of Declarant Control" shall mean that time frame as described within Article IV, Section 4.2.

R. "Plat" shall mean and refer to the plat of the Property, recorded May 25, 2007 in the Larimer County, Colorado real property records at Reception No. 20070039351, as the same may be amended from time to time.

S. "Residence" shall mean and refer to any single family detached dwelling located upon a Lot.

T. "Service Plan" shall mean that certain Service Plan for Deer Meadows Metropolitan District, City of Loveland, Colorado, attached as Exhibit "A" to Resolution #R-74-2005 of the City of Loveland, Colorado.

ARTICLE II POWERS OF THE DISTRICT

SECTION 2.1 General. The District shall have all the rights and powers accorded herein and under the Colorado Constitution, Colorado Revised Statutes and the Service Plan, all as may be necessary and proper to enforce the covenants, conditions, easements and restrictions contained within this Declaration.

SECTION 2.2 Design Review and Approval. The Board and/or an architectural control committee duly formed by the Board for such purpose shall perform all architectural and design review for all structures, Residences and improvements upon all Lots within the Property. The Board shall further have the right to employ consultants to assist in the performance of its functions hereunder.

a. No Residence or other improvements shall be constructed, erected, placed, altered, maintained or permitted on any Lot, nor shall any construction or excavation whatsoever be commenced or materials, equipment or construction vehicles be placed on any Lot owned by any person or entity other than Declarant, nor shall any exterior addition to or change or alteration of any Residence or improvement be made until professionally prepared plans and specifications with respect thereto (in manner and form designated within the Design Guidelines or otherwise satisfactory to the Board showing the proposed improvements, plot layout and all exterior elevations, materials and colors, landscaping, grading, easements and utilities, and such other information as may be reasonably requested by the Board) have been submitted to and been approved in writing by the Board. Such plans and specifications shall be submitted in writing and be signed by the Owner or the Owner's authorized agent. The foregoing submittal requirements shall also apply to any exterior painting with any color other than a pre-existing color as previously approved; and to the construction, destruction or alteration of any awning, trellis, patio cover or fence.

b. Each application/submittal for approval hereunder must be accompanied by any processing fee and deposit amount required by the Design Guidelines.

c. Approval shall be based, among other things, on: the Design Guidelines, suitability of exterior design, colors and materials, relation of the proposed improvements to the natural topography, grade and finished ground elevation; relation of the structure to that of neighboring structures and natural features of the Property, and conformity of the plans and specifications to the purpose and general plan and intent of these restrictions. The Board shall have the right to require and approve landscaping plans or any other such plans which may change or alter the natural historic flow of water or the approved Drainage Plan. The Board shall not arbitrarily or unreasonably withhold its approval of such plans and specifications.

d. If the Board fails either to approve or to disapprove such plans and specifications (including resubmission of disapproved plans and specifications which have been revised) within sixty (60) days after the same have been submitted to it (provided that all required information has been submitted), it shall be conclusively presumed that said plans and specifications have been disapproved subject, however, to the restrictions contained in Article VI hereof. The Board shall notify the Owner in writing upon receipt of all required plans and specifications and the aforesaid 60-day period shall commence on the date of such notification.

e. Any failure by the Board to approve or disapprove any construction, improvement or alteration of any Lot by the Owner or the Owner's authorized agent, which was not properly submitted to the Board as provided by this Article, shall not be deemed to be an approval of the construction, improvement or alteration. The Board shall retain its right to approve or disapprove the construction, improvement or alteration as provided in this Article. The Board shall have one hundred twenty (120) days from the date it first discovers any construction, improvement or alteration on any Lot, the plans of which were not properly submitted, to approve or disapprove said construction, improvement or alteration. If the Board disapproves any construction, improvement or alteration, the Owner shall have not more than thirty (30) days after receipt of notification of disapproval to remove said construction, improvement or alteration. Removal shall be at the sole expense of the Owner. The Owner shall comply with the decision of the Board and shall take any action required by the Board for approval.

f. Neither the Board, nor Declarant, nor their respective successors or assigns, shall be liable in damages to anyone submitting plans to the Board for approval, or to any owner affected by this Declaration, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans and specifications. Every owner or other person who submits plans to the Board for approval agrees, by submission of such plans and specifications, that he will not bring any action or suit against the Board, or Declarant, to recover any such damages. Approval by the Board shall not be deemed to constitute compliance with the requirements of any

local building codes, and it shall be the responsibility of the Owner or other person submitting plans to the Board to comply therewith. Additionally, it is solely the responsibility of the Owner to ensure that proper drainage of the Lot is maintained and that any construction, improvement or alteration has no adverse effect on drainage on any Lot within the Property.

SECTION 2.3 Design Guidelines. The Design Guidelines shall set forth the standards and procedures for architectural review and guidelines for, but not limited to, architectural design, placement of improvements, color schemes, exterior finishes and materials, landscaping, fences and similar features within each Lot. The Design Guidelines may include a reasonable schedule of fees for processing submittals for review and approval, and further establish the time and manner in which such fees shall be paid. In addition, the Design Guidelines may require applicants to make a refundable deposit for initial construction, in the form and amount of cash or bonds acceptable to the Board in order to ensure completion of the Residence or improvements (including any additions, changes or alterations to existing improvements) or landscaping, provided that such fees may be reduced or waived by the Board for applicants that are approved builders. The deposit shall be refunded upon a determination by the Board of final completion of the Residence, improvements or landscaping in accordance with the drawings, plans, specifications and Design Guidelines, less any amounts expended by the Board to enforce their rights hereunder and under the Design Guidelines.

SECTION 2.4 Enforcement of Declaration.

a. **Abatement and Suit.** In the event of any violation or breach of the provisions of the Declaration, the District on its own behalf, or on behalf of the Owners shall have the right; (1) to enter upon the portion of the Property wherein said violation or breach exists and summarily to abate and remove, at the expense of the Owner in violation, any structure, thing or condition that may be or exists thereon contrary to the intent and meaning of the provisions hereof; (2) to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of the provisions herein to enjoin or prevent them from doing so; (3) to cause said violation to be remedied or to recover damages for said violation; and (4) to impose a monetary penalty on the offending Owner of \$200.00 per day that the violation remains extant after ten (10) days' notice to said Owner.

b. **Deemed to Constitute a Nuisance.** Every violation of this Declaration or any part thereof is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed therefore by law or equity against an Owner shall be applicable against every such violation. Failure to enforce any of the provisions of this Declaration herein contained shall in no event be deemed to be a waiver of the right to do so for subsequent violations or of the right to enforce any other provisions thereof and the above-named entities shall not be liable therefore.

c. **Rules and Regulations.** The District shall have the right to promulgate and adopt reasonable rules and regulations to carry out the purpose and intent of the protective covenants set forth in Article V hereof and the other provisions of this Declaration. The Board shall have the right to adopt architectural standards, sign standards, construction regulations and other such rules and regulations as it deems necessary or appropriate. All such rules, regulations and standards may be modified from time to time in the reasonable discretion of the Board.

**ARTICLE III
EASEMENTS**

The Property and the Lots comprising the same shall be, held, transferred, sold, conveyed, leased and occupied subject to the easements set forth in this Article III, all of which shall run with the land.

SECTION 3.1 Two dedicated access easements located along the edge of Outlot "T", and Outlot "K", as depicted upon the Plat, for the benefit of the Consolidated Home Supply Ditch and Reservoir Company as required for access to the improvements being made by the District on the George Rist Ditch and their ongoing maintenance, inspection and repair of the George Rist Ditch. No buildings, landscaping, fencing or other permanent structures shall be placed or constructed by any Owner within said easement, which would in any way

impede access, whether pedestrian or vehicular, by the Consolidated Home Supply Ditch and Reservoir Company or the improvements on the George Rist Ditch. Said access easements will further allow the Ditch Company's designated ditch rider to park his or her vehicle (so long as the vehicle is not blocking a private driveway) on Deer Meadow Drive for purposes of gaining pedestrian access to the easements herein granted.

SECTION 3.2 A 15 foot private landscape, utility, and drainage easement as depicted on the Plat and located across and upon the rear portions of all Lots backing to Outlot "D" and the George Rist Ditch. No Owner shall be allowed to construct any permanent structures such as fencing, sheds, or permanent landscaping within this 15 foot easement. Should an Owner construct, or otherwise make improvements within this 15 foot easement, the Consolidated Home Supply Ditch and Reservoir Company shall have the right to remove said improvements at the expense of the Owner and without recourse to the Consolidated Home Supply Ditch and Reservoir Company or the District.

SECTION 3.3 An easement is hereby granted to the District, its Board, officers, agents, employees and assigns upon, across, over, in and under the Property and Lots, and a right to make such use of the same as may be necessary or appropriate to perform the duties and functions which the Board is obligated or permitted to perform pursuant to this Declaration and the Service Plan.

SECTION 3.4 Declarant hereby grants and conveys to the District a non-exclusive easement over the Property and each Lot therein for the construction, repair, replacement and maintenance of improvements, including, but not limited to, utilities, streets, parking and driveway areas, and all other activities related or incidental to the development of the Property or to be performed, constructed, installed, repaired or maintained by the District pursuant to the Service Plan.

SECTION 3.5 An easement is hereby retained by and granted to Declarant for access, ingress, and egress over, in, upon, under and across the Open Space, for the temporary storage thereon by Declarant or Declarant's designees of construction material, dirt, and similar items, and for the temporary storage thereon by Declarant or Declarant's designees of construction material, dirt, and similar items, and for the temporary placement thereon of construction trailers and equipment by Declarant or Declarant's designees as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Declarant's rights, whether arising under Colorado law or reserved in this Declaration, or for the purpose of construction of Residences, sales offices, management offices, and other improvements or structures by Declarant or Declarant's designee.

SECTION 3.6 All conveyances of Lots hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article III, even though no specific reference to such easements or to this Article III appears in the instrument for such conveyance.

ARTICLE IV SPECIAL DECLARANT RIGHTS

SECTION 4.1 Reservation of Rights. Declarant reserves the following rights:

- a. The right to complete or make improvements indicated on the Plat, or permitted by this Declaration or any development plan approved by the City of Loveland, Colorado;
- b. The right to maintain a sales office and up to six (6) model or "spec" homes on Lots and the right to relocate the same to any Lot or Residence located within the Property;
- c. The right to maintain signs within the Property to advertise the Property or Lots or Residences located therein;
- d. The right to use and to permit others to use easements through the Property as may be reasonably necessary for the purpose of discharging and exercising Declarant's obligations and rights under this Declaration;

e. The right to exercise any other right or privilege accorded a Declarant pursuant to this Declaration.

SECTION 4.2 Limitation on Reserved Rights / Period of Declarant Control. Unless sooner terminated by a recorded instrument signed by Declarant, any right reserved in this Article IV or elsewhere within this Declaration may be exercised by Declarant with respect to any portion of the Property until the earliest to occur of the following, hereinafter referred to as the "Period of Declarant Control":

a. sale and transfer of deed to the final Lot within the Property to the first Owner thereof other than Declarant or the initial builder of the improvements thereon;

b. seven (7) years after the last conveyance of a Lot by the Declarant in the ordinary course of business; or

c. at such time as Declarant terminates its rights hereunder by written instrument recorded in the real estate records of the Clerk and Recorder's Office, Larimer County, Colorado.

ARTICLE V
PROTECTIVE COVENANTS AND RESTRICTIONS

The Property and the Lots comprising the same shall be, held, transferred, sold, conveyed, leased and occupied subject to the protective covenants, conditions and restrictions set forth in this Article V, all of which shall run with the land; *provided, however*, that in the event of any conflict between the requirements of this Article V and the requirements of any applicable zoning code or ordinance, the more restrictive of the two shall govern.

SECTION 5.1 Permitted Uses and Restrictions.

a. The owner of any Lot shall not suffer or permit any noxious or offensive activity to be conducted, carried on or practiced thereon or within any dwelling or accessory building constructed thereon or otherwise use or employ such Lot site and improvements for any purpose that will constitute an annoyance to the neighborhood or a nuisance as provided by law, or that will detract from the residential value, reasonable enjoyment and quality of the Property.

b. No portion of any improvement shall be occupied as living quarters prior to the substantial completion of the construction of the entire dwelling as evidenced by a temporary or final certificate of occupancy ("CO") therefore. All buildings must be fully completed with the CO issued within eighteen (18) months following the commencement of work thereon, subject to delays caused by weather, strikes, inability to obtain materials, labor shortages, acts of God, war, casualty, force majeure or other occurrences or conditions beyond the builder's control. No structure of a temporary character, trailer, mobile home, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently. However, anything herein to the contrary notwithstanding, temporary facilities may be constructed for purposes of housing sales and construction personnel with regard to the sale and construction of Lots and Residences within the Property as long as said temporary facilities conform to applicable law and receive prior written approval from the Board. The provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during and used exclusively in connection with the construction of any Residence or other improvement permitted by this Declaration.

c. No oil, drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or within any Lot. No derrick or other structure designed for use in boring for oil, natural or other minerals shall be erected, maintained or permitted upon any Lot. No Lot Owner shall be permitted to drill a well intended for the extraction of water from the ground, nor construct a septic or sewage disposal system on any Lot without prior approval of the Board. The District, pursuant to its Service Plan, shall install or cause to have installed water distribution and sewer collection lines to a point

proximate to the property line of each Lot or in the roads adjacent thereto, and connection by the Lot Owner to the facilities shall be mandatory.

d. A Lot shall be used exclusively and solely for residential purposes (except as provided in Subsection 5.1 (b) of this Article V).

e. Equipment intended for children's recreational use, such as swing sets and slides, shall be placed within the Lot in such a manner as to be reasonably screened from view from roads, the Open Space or other Lots, whether by fencing or other screening approved by the Board. The location of such equipment on a Lot shall also require prior approval of the Board, which shall have the right to waive or vary the screening requirement if the equipment is placed on a Lot in such a manner as to minimize the exposure thereof.

f. With the exception of small satellite dishes attached to the exterior walls of a Residence (as depicted upon original plans and specifications for any Residence as approved by the Board pursuant to Section 2.2), no exterior antenna or similar improvement such as a satellite dish shall be permitted on any Lot when such exterior antenna, satellite dish or other similar improvement is visible from neighboring Lots, the Open Space or roads.

g. No elevated tanks or appurtenances of any kind shall be erected, placed or permitted upon any part of a Lot. Any tank used in connection with any dwelling and any type of refrigeration or heating apparatus must be located underground or concealed by appropriate fencing or screening to be approved by the Board.

h. All electric, telephone, television, radio and other utility lines shall be placed underground when extended from the street or Lot line to any dwelling or other improvement on a Lot.

i. No exterior horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of dwellings and other improvements located thereon, and except wind chimes which cannot be heard by a neighboring Lot, shall be placed or used on any Lot.

j. All vacant Lots shall be maintained in a clean condition with all weeds and grass thereon periodically trimmed and free at all times of trash and rubbish.

k. No light shall be emitted front any Lot or dwelling or recreational facility which is unreasonably bright or causes an unreasonable nuisance or glare to or on any other Lot or neighboring property.

l. No reflective glass windows shall be utilized in any improvements constructed on any Lot.

m. Solar panels shall be allowed only if designed as part of the roof or walls in the original plans and specifications for the residence and approved by the Board pursuant to Section 2.2. Upon completion of the home, solar panels shall only be permitted when approved by the Board in conformance with Colorado law.

SECTION 5.2 Drainage. There shall be no interference with the drainage systems originally installed by the District, or any other interference by a person or Owner other than Declarant or the District, with respect to the established drainage pattern over any Lot within the Property as set forth within the approved Drainage Plan. For purposes hereof, "established drainage pattern" is defined as the drainage pattern and drainage improvements as are set forth within the Drainage Plan or subsequent amendment thereto.

SECTION 5.3 Issues Arising from the Proximity of the Lots to the Golf Course, the George Rist Ditch and Open Space. The Lots within the Property are being developed pursuant to plans which, in addition to the Lots, include Open Space wherein open ditches, bridges, culverts, canals, wetlands, ponds, water ways, reservoirs (including, without limitation, the Buckingham Reservoir) and other water features currently exist or may be built in the future ("Open Space Features"). Likewise, the Lots within the Property are adjacent to or in the vicinity of the George Rist Ditch and the Golf Course which, in addition to the inherent risks associated therewith, contain or may in the future contain open ditches, ponds, lakes, canals, wetlands, spillways, flow control structures, sand gates,

ditch embankments and other waterways or waterway features (collectively herein the "Golf Course/Ditch Features"). EACH OWNER, INCLUDING SUCH OWNER'S GUESTS, LICENSEES AND INVITEES, ACKNOWLEDGES, ACCEPTS AND ASSUMES THE RISK OF THE SPECIAL BENEFITS AND BURDENS ASSOCIATED WITH THE OWNERSHIP OF LOTS ADJACENT TO OR IN THE VICINITY OF SUCH OPEN SPACE FEATURES, THE GEORGE RIST DITCH, THE GOLF COURSE AND GOLF COURSE/DITCH FEATURES. IN ADDITION TO ANY OTHER WAIVER SIGNED BY AN OWNER, EVERY OWNER ACKNOWLEDGES BY ACCEPTANCE OF A DEED OR OTHER INSTRUMENT OF CONVEYANCE TO A LOT WITHIN THE PROPERTY, THAT HE HAS INDEPENDENTLY INSPECTED THE PLAN FOR DEVELOPMENT OF THE PROPERTY, HAS DETERMINED THE LOCATION AND CONFIGURATION OF HIS LOT RELATIVE TO THE OPEN SPACE FEATURES, THE GEORGE RIST DITCH, THE GOLF COURSE AND THE GOLF COURSE/DITCH FEATURES, AND HAS CONSIDERED THE INHERENT RISKS OF HIS LOT'S LOCATION WITH RESPECT THERETO (SAID RISKS INCLUDING WITHOUT LIMITATION: INTRUSION OF GOLF BALLS, GOLF CLUBS, GOLFERS, OVSERSPRAY, NOISE, LIGHTS, ACCESS TO THE GOLF COURSE AND DANGERS ASSOCIATED WITH INTERFACING WITH THE GEORGE RIST DITCH, THE OPEN SPACE FEATURES AND THE GOLF COURSE/DITCH FEATURES - SUCH AS DROWNING, BODILY INJURY, DEATH OR OTHER MISHAP AND FLOODING) AND HAS TAKEN TITLE TO HIS LOT BASED UPON HIS INDEPENDENT INVESTIGATION AND ANALYSIS. ACCORDINGLY, DECLARANT AND THE DISTRICT HEREBY DISCLAIM ANY LIABILITY FOR PERSONAL INJURY, DEATH OR PROPERTY DAMAGE RESULTING IN ANY WAY, ALL OR IN PART, FROM ANY OF THE ITEMS SET FORTH BELOW AND EACH OWNER ACCEPTS SUCH DISCLAIMERS AND RELEASES AND DISCHARGES THE DECLARANT, EACH BUILDER OF IMPROVEMENTS UPON LOTS WITHIN THE PROPERTY, THE DISTRICT, THE CONSOLIDATED HOME SUPPLY DITCH AND RESERVOIR COMPANY, AND THE CITY OF LOVELAND, COLORADO, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, BOARD MEMBERS, SHAREHOLDERS, AGENTS, EMPLOYEES, AFFILIATES, REPRESENTATIVES, RECEIVERS, SUBSIDIARIES, PREDECESSORS, SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "RELEASED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION, WHATSOEVER, REGARDING THE FOREGOING INHERENT RISKS AND THE FOLLOWING ITEMS SET FOR BELOW OR THE REASONABLE EXTENSIONS THEREOF:

a. Matters Incidental to Golf Course Operation. Invasion of any Owner's use or enjoyment of their Lot; improper design of the Golf Course; the level of skill of any golfer (regardless of whether such golfer has permission of management to use the Golf Course); and trespass by any golfer upon a Lot.

b. Matters Incidental to the George Rist Ditch. Invasion of any Owner's use or enjoyment of their property due to the rights of the Consolidated Home Supply Ditch and Reservoir Company, at any time, to build, repair, operate, service and, or maintain any and all parts of the George Rist Ditch its embankments and improvements (including but not limited) the spill way, flow control structures, sand gates or ditch road.

c. View Impairment/Privacy. Owners of Lots, including those of Lots abutting a golf course, have no guarantee that their view over and across the Golf Course will be preserved without impairment or that the view from the golf course will not be impaired. The owner or managers of the Golf Course and George Rist Ditch have no obligation to prune or not prune trees or other landscaping and may further add to, change or reconfigure the Golf Course and ditch embankment, including any tees, landscaping, bunkers, fairways and greens.

d. Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals may be utilized in connection with the Golf Course and the Owners acknowledge, accept the use and assume the risks of such pesticides, fertilizers and chemicals.

e. Noise and Light. Owners of Lots, and particularly those of Lots in proximity to the George Rist Ditch, the Golf Course or any clubhouse or maintenance facility on the Golf Course, may be exposed to lights, noise or activities resulting from: the Consolidated Home Supply Ditch and Reservoir Company, or Golf Course maintenance, including mowing, irrigation and grooming, during early morning

and evening hours, which involves the use of tractors, blowers, pumps, compressors and utility vehicles; the use of the clubhouse for dining and entertainment; the use of the parking lot; and the maintenance of vehicles and equipment associated with the foregoing. The Owners acknowledge, accept and assume the risks of such light, noise or activities.

f. No Access. No Owner of any Lot has a right, by virtue of being an Owner, to enter onto the property of the Consolidated Home Supply Ditch and Reservoir Company, or Golf Course, notwithstanding the proximity of the George Rist Ditch, or the Golf Course to any Lot, and notwithstanding that the Owner of any Lot may have a right to use the Golf Course facilities as a result of membership or other rights acquired separately from the ownership of the Golf Course, no Owner or their guests, licensees or invitees has a right of access to the George Rist Ditch, or the Golf Course directly from their Lot.

g. Open Space/George Rist Ditch. Each owner, including such owner's guests, licensees and invitees, acknowledges, accepts and assumes the risk of property damage, bodily injury or death inherent with entry (whether authorized or unauthorized) upon the George Rist Ditch, the Golf Course and/or Open Space and direct interface with the features included within said George Rist Ditch, Golf Course and Open Space, including without limitation: wild animals such as deer, elk, bear, and other small animals are in or move through these open space areas, open ditches, culverts, canals, bridges, spillways, flow control structures, sand gates, wetlands, ponds, water ways and other water features currently existing or as may be built in the future by the Consolidated Home Supply Ditch and Reservoir Company, the Golf Course, Declarant or the District.

SECTION 5.4 General Construction and Improvement Restrictions.

a. Square Footage. Each primary dwelling constructed on a Lot shall be comprised of a minimum square footage as set forth within the Design Guidelines, and shall be constructed as a single family dwelling with such minimum square footage to be exclusive of any garages, patio, basements or accessory buildings. Subsequent to the Period of Declarant Control, the Board shall have the right to modify the minimum square foot requirements of this section for good cause shown.

b. Materials. In order to preserve the natural quality and aesthetic appearance of the Property, all homes shall be constructed primarily of those materials as approved within the Design Guidelines.

c. Height and Setback Restrictions. All Residences, dwellings and improvements of any kind will be set back from the boundaries of the Lot as provided by the setback limitations set forth in the Final Development Plan and zoning code of the City of Loveland, Colorado or Larimer County, Colorado, whichever is applicable, and the final development plan for the Property. In the event that a variance is requested from the applicable governing authority of any of the aforesaid setback or height limitations, a like variance must also be obtained from the Board before such improvements maybe constructed on a Lot.

d. Restrictions on Double Frontage Lots. Absent any code or ordinance of the City of Loveland, Colorado or Larimer County, Colorado designating the same, the Board shall have the right to designate the direction in which a dwelling shall face if constructed on a double frontage Lot and shall determine the location of all curb cuts for driveways.

e. Fencing Restrictions. No common lot fence or fencing of any kind shall be permitted between Lots. Security fencing in connection with any swimming pool and fences utilized in connection with any tennis court or recreation facilities must have the prior approval of the Board in accordance with the procedures set forth within this Declaration. Planting simulating fencing shall be discouraged on any Lot or Lot line and may be permitted only after approval of the Board in accordance with the procedures set forth in Article II hereof to insure that such planting will be in keeping with the character of the Property.

SECTION 5.5 General. The restrictions and limitations set forth in this Article V are in addition to but

not in lieu of the other restrictions and limitations contained in this Declaration and in any applicable zoning code or ordinance. In the event of any inconsistency or conflict between the provisions hereof and the provisions of any applicable zoning code or ordinance, the more restrictive provisions shall govern. To the extent that no inconsistency or conflict with any applicable zoning code or ordinance is created, the restrictions set forth in this Article V may be varied or waived by the Board at its discretion upon good cause shown.

SECTION 5.6 Pets. No domestic animals totaling more than three (3) generally recognized house or yard pets shall be allowed outside of the Residence of any Lot. If an Owner chooses to keep house or yard pets, said Owner shall at all times have them under his or her control. Animals shall not be permitted to roam at will, and at the option of the Board, steps may be taken to control any animals not under the immediate control of their Owners, including the right to impound animals not under such control and charge substantial fees to their Owner for their return. The Board shall have the right to adopt further rules and regulations to enforce this provision.

SECTION 5.7 Horses and Livestock. No horses or livestock shall be kept or otherwise maintained within Lots.

SECTION 5.8 Landscaping and Maintenance.

a. The Board shall retain the right to require that trees or shrubs on a Lot be located or trimmed so as to preserve or enhance the view from other Lots within the immediate vicinity.

b. No Lot shall be used or maintained as a dumping ground for rubbish. No garbage or trash or other waste shall be placed anywhere other than in covered sanitary containers which shall be maintained in good and clean conditions and to the extent possible must be screened from view from roads, Open Space, the Golf Course or other Lots by plantings, fences or in such other manner as approved by the Board. No waste shall be burned upon any Lot.

c. No exterior fires shall be permitted except for barbecue fires and outdoor fire places contained within receptacles designed for that use. No coal or other type fuel which gives off smoke, excepting wood and charcoal, shall be used for heating, cooking or any other purpose within a Lot.

d. A Lot and any Residence or improvements thereon shall be maintained at all times by the Owner in good condition and repair. The Owner shall cause all dwellings and other improvements to be refinished, resurfaced or repaired periodically as effect of damage, deterioration or weather becomes apparent. Appearance, color, type of painting or stain or other exterior conditions shall not be changed without prior approval of the Board. The appropriate repairs and replacements shall be made as often as necessary. Unightly conditions shall constitute a nuisance as defined within this Declaration.

e. All grass, shrubs and trees shall be kept and maintained in an attractive, healthy, live and growing condition, and all dead or diseased grass areas, shrubs and trees shall be promptly removed and replaced with suitable replacement landscaping. Each Lot shall be maintained with the landscaping as approved by the Board in good condition.

f. Any changes to landscaping may be done only after approval of the Board in accordance with the procedures set forth in Article II hereof and under no circumstances may landscaping be changed or altered so as to affect the natural historic flow of water or the approved Drainage Plan without the prior approval of the Board.

SECTION 5.9 Automobile, Boat and Camper Parking.

a. Except as expressly provided herein, trucks, trailers, mobile homes, truck campers, boats, recreational vehicles and commercial vehicles shall not be kept, placed or maintained upon any Lot, road, street, driveway or elsewhere on the Property. Owners shall be required to park and store all trucks, trailers, mobile homes, truck campers, boats, recreational vehicles and commercial vehicles within garage structures as have been constructed and approved by the Board pursuant to this Declaration. Commercial vehicles engaged in the delivery or pick-up of goods or services shall be exempted from the provisions of this paragraph providing that they do not remain within a Lot in excess of the reasonable period of time

required to perform such commercial function. The provisions of this paragraph shall not apply to trucks, trailers and commercial vehicles used exclusively in connection with the construction of any Residence or other improvement permitted by this Declaration

b. Each dwelling shall include at least two completely enclosed parking spaces within the Lot.

c. No trailer, vehicle or boat shall be constructed, reconstructed or repaired upon any Lot in such a manner that such activity is visible from neighboring Lots, the Open Space, the Golf Course or roads within the Property.

SECTION 5.10 Signs. No signs whatsoever shall be permitted within any Lot, with the exception of those listed below:

a. Signs required by legal proceedings.

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

c. Residential identification signs shall be constructed of materials which are compatible with the architecture of the area, and these shall be subject to the approval of the Board prior to erection thereof.

d. For Sale signs and large community marketing signs on vacant Lots or for homes under construction must be of the style, color and materials approved by the Board. With reference to For Sale or For Rent signs for residential resales, the same may be erected upon a Lot, provided that no more than one sign is erected and that such sign does not exceed a total face area of six (6) square feet unless otherwise approved in advance in writing by the Board.

e. No sign shall exceed a height of five (5) feet from grade.

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

SECTION 5.11 No Commercial Use. No business building, machine shop or other industrial or commercial structure or building devoted to commercial or public enterprises shall be erected or used on any Lot, and no business which attracts an undue volume of customers or clients to a Lot shall be conducted or carried on or be practiced upon any Lot or within any dwelling or accessory building constructed thereon, except that buildings may be erected and used by Declarant, its successors, assigns or designees for use in developing and marketing the Lots and Residences to be constructed upon Lots within the Property.

SECTION 5.12 Subdivision and Combining of Lots. The Declarant hereby reserves the right to subdivide or replat any Lot(s) owned by the Declarant, and each such subdivision or replatting may change the number of Lots in the Property. Except as specifically reserved to the Declarant, no Lot may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership, except that adjoining Lot Owners may sell or purchase adjoining property to accomplish relocation of the boundary line between such Lots if first approved in writing by the Board, if such sale and purchase will not cause a resulting violation of any setback, building or other restriction contained herein, and if such steps are taken as are necessary to comply with the building and zoning and subdivision codes for the County of Larimer, City of Loveland. In such cases, the new boundary line thus established shall be deemed a new boundary line between the respective Lots but no setback line or easement established with respect to the former boundary line shall be shifted or changed by reason of the change of boundary line. Two (2) or more adjoining Lots which are under the same ownership may also be combined and developed as one (1) Lot, but only if first approved in writing by the Board and if such

approvals as may be necessary are obtained from the County of Larimer. Setback lines along the common boundary line of the combined parcels shall be deemed removed and easements created or established along the common boundary line of the combined Lots may be changed without the consent of any person entitled to the use thereof if no improvements have been constructed in such easements provided that the written consent of the Board be first obtained. The Board shall have the right to require alternative easements to be granted or created by the Owner of the combined Lots. If setback lines are removed or easements are changed along the common boundary line of the combined Lots, the combined Lots shall thereafter be deemed one (1) Lot, and may not thereafter be split or developed into two (2) or more Lots.

ARTICLE VI
DITCH COMPANY COVENANTS

SECTION 6.1. Ditch Company Easements. The Ditch Company has an easement for the George Rist Ditch and the Ditch Company is granted the full right and authority to cut, trim, remove, destroy, or modify any trees, shrubs, grasses, structures, fences or other items within the easement area or not within the easement but which may cause a hazard within the easement area. The Owners of the Lots acknowledge that Owners and successor Owners may not plant or otherwise landscape the ditch right of way. The Ditch Company also has the authority to install and maintain a road along each ditch bank for its reasonable purposes.

SECTION 6.2. Fencing. The Owners may not place any fence within the ditch right of way, and particularly across the right of way. The Owners shall not install any gates or fences on the Ditch Company right of way without the prior written approval of the Ditch Company. Any fences approved by the Ditch Company along the ditch easement must be fire proof and stock-proof to prevent damage by ditch cleaning by burning, and damage by humans and livestock and other sources to the ditch. There will not be permitted any livestock watering in the ditch. There will not be permitted any pumps in the ditch. Cattle guards instead of gates should be utilized.

SECTION 6.3. Water. The Owners acknowledge and understand that there may be surface or subsurface waters that arise in the area of the Subdivision and that there are periods of time when, due to water flowing within the ditch system and otherwise, that portions of the Subdivision receive significant amount of surface and subsurface water including water that is very near to the surface, or resides on the surface. The Ditch Company has no plans to alter its operations as it would cure this surface and subsurface water issue. Due to the hydrological status of this area, flooding may occur that could cause overflow onto the Marianna Butte Golf Course and other property in the vicinity of the George Rist Ditch including property within the Subdivision. During such an event the ditch may overflow and flood adjoining property and improvements including the Subdivision. Each Owner in the Subdivision shall be solely responsible for accepting onto and discharging from their respective property all surface and subsurface drainage water coming onto their respective property and for all damage to persons and property from any water that overflows or otherwise flows from the ditch. The Ditch Company shall not be liable for damage caused to any person, property or improvements due to water overflowing from or otherwise flowing from the ditch.

SECTION 6.4 Ditch Improvements. Notwithstanding anything contained in Article 6.3 above, the City of Loveland's Stormwater and Engineering and Parks and Recreation departments and their respective outside consultants have reviewed and accepted the Drainage Plan, hydrological studies, construction and engineering plans, including ditch improvements, the Final Development Plan and the Plat for the subdivision. Significant ditch improvements have been installed including a reconstructed ditch embankment, concrete ditch liner, perimeter drains, additional spillways and ditch flow control structures. Furthermore, site improvements, grade elevation changes, retaining walls and a bridge have been engineered and constructed to contain and direct stormwater in a safe and stable manner over the ditch spillway into the Dry Creek channel on the golf course. The Lots have been engineered to be outside of and above the 100-year flood plain as designated on the Final Development Plan and the Plat.

SECTION 6.5. Drainage Patterns. The Owners shall maintain the irrigation and drainage patterns existing on the date of recording of the Plat so that the quality of water entering the ditch from irrigation and from precipitation and other sources is maintained, and so that there is no change in rate, amount, point or type of drainage into the ditch that will occur. The Owners shall monitor and identify any pollutants or other hazardous

materials that enter the George Rist Ditch and should agree to stop any such deposit in the ditch system.

SECTION 6.6. Ditch Restrictions. The Owners acknowledge that: 1) No livestock watering, swimming, tubing, canoeing or other use of the George Rist Ditch or water in the ditch is allowed; 2) No dumping of refuse, including but not limited to household garbage, waste materials, grass clippings, tree and shrub prunings, motor oil, chemicals, pesticides or herbicides is allowed; 3) No pumps for lawn or other irrigation are allowed in the ditch; 4) No use of the ditch easement for hiking, biking, horseback, motorcycle, off road vehicles or other motorized or non-motorized vehicle shall be allowed.

SECTION 6.7. Crossings. No crossings of the George Rist Ditch are permitted without the prior written consent of the Ditch Company and compliance with the rules, regulations and requirements of the Ditch Company.

ARTICLE VII GENERAL PROVISIONS

SECTION 7.1. Conflicts of Provisions. In case of any conflict between this Declaration and the Service Plan, this Declaration shall control. In case of any conflict between the Declaration and the codes, ordinances or regulations of the City of Loveland, Colorado or the County of Larimer, Colorado, the stricter of the provisions shall control.

SECTION 7.2 No Representations Guaranties or Warranties. Except as expressly set forth herein, no representations, guarantees or warranties of any kind, express or implied shall be deemed to have been given or made by Declarant, the District, the Board or their respective members, officers, directors, agents or employees, in connection with any portion of the Property, the Lots or any Residences or other improvements constructed thereon, their physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, or in connection with the sale, operation, maintenance, cost of maintenance, taxes, assessments or regulation thereof.

SECTION 7.3 Duration and Amendment.

a. This Declaration, every provision hereof and every covenant, condition, restriction and reservation contained herein shall run with and bind the Property and shall continue in full force and effect for a period of twenty (20) years from the date hereof, and shall thereafter be automatically extended for successive periods of five (5) years unless otherwise terminated or modified as hereinafter provided.

b. The Declaration or any provision hereof, may not be terminated, extended, modified or amended, as to the whole of the Property or any portion thereof, except by action of the Board or by Declarant during the Period of Declarant Control. A written notice of any proposed termination, extension, modification or amendment shall be sent by registered mail to every Lot Owner at least sixty (60) days in advance of any action taken, requesting each Lot Owner's written response as to approval or disapproval of the action. Non-response to such notice within the sixty (60) day period shall be deemed approval. Approval of any such action shall require the consent of seventy-five percent (75%) of the Lot Owners. In the event Declarant holds title to one or more Lots at the time of such notice for proposed action, Declarant shall respond with approval or disapproval for each such Lot owned. Such termination, extension, modification or amendment shall be immediately effective after such written notice has been given upon recording a written instrument in the office of the Clerk and Recorder of Larimer County, Colorado, reflecting that the required consents have been obtained, which instrument is executed and acknowledged by the District.

c. Notwithstanding anything to the contrary contained in this Declaration, if Declarant shall determine that any amendments to this Declaration shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any lending institutions, then subject to the following sentence of this Section, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendments without obtaining the approval of any Owners. Each such amendment of this Declaration shall be made, if at all, by Declarant prior to termination of the Period of Declarant Control.

d. Declarant hereby reserves and is granted the right and power to record technical amendments to this Declaration, without notice or approval and at any time prior to the termination of the Period of Declarant Control, for the purposes of correcting spelling, grammar, dates or as is otherwise necessary to clarify the meaning of the provisions of this Declaration.

SECTION 7.4 Registration by Owner of Mailing Address. Each Owner of a Lot shall register his mailing address with the District, and, except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands, or other notices intended to be served upon the Board of the District shall be sent by certified mail, postage prepaid, to: Deer Meadows Metropolitan District C/O R.S. Wells, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111 until such address is changed by the District.

SECTION 7.5 Severability. All of the provisions contained in this Declaration shall be construed together, but if it shall at any time be held that any one of such provisions or any part thereof, is or has become invalid, or for any reason is or has become unenforceable, no other provision or any part thereof, shall be thereby affected or impaired.

SECTION 7.6 Benefits and Burdens. The terms and provisions contained in this Declaration shall bind and inure to the benefit of the Declarant, the Owners and their respective heirs, successors, personal representatives and assigns.

SECTION 7.7 Waiver. The failure of any person or entity designated herein to enforce any provision of this Declaration shall in no event be deemed to be a waiver of the right to do so for any subsequent violations. Moreover, the right to enforce any other provisions of this Declaration shall not be waived by such a failure, nor shall there be any liability therefore.

SECTION 7.8 Limitation on Liability. The Declarant, the Consolidated Home Supply Ditch and Reservoir Company, the District, the Board and their respective officers, directors, members, agents and employees, shall not be liable to any person or Owner for any action or for any failure to act unless the action or failure to act was not in good faith and was done or withheld with malice.

SECTION 7.9 Disclaimer Regarding Safety. DECLARANT, THE CONSOLIDATED HOME SUPPLY AND RESERVOIR COMPANY, THE DISTRICT AND THE BOARD, THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE PROPERTY OR ANY LOT THEREIN. EACH OWNER ACKNOWLEDGES THAT DECLARANT, THE CONSOLIDATED HOME SUPPLY AND RESERVOIR COMPANY, THE DISTRICT AND THE BOARD, THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, AGENTS AND EMPLOYEES ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY SET FORTH WITHIN THIS DECLARATION AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY.

SECTION 7.10 Singular and Plural. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

SECTION 7.11 Dedication of Open Space. The Open Space is not dedicated hereby for use by the general public but, pursuant to the Plat, has been dedicated to the District for purposes as set forth within the Plat or the development plans for the Property.

[SIGNATURE PAGES FOLLOW]

EXHIBIT A

Mariana Butte Fourteenth Subdivision

**Being a Subdivision of Tract A, Mariana Butte P.U.D. Fourth Subdivision, To
The City of Loveland, Larimer County, Colorado, Situate in Portions of
Sections 17 & 18, Township 5 North, Range 69 West of the 6th P.M.**

THE UNIVERSITY OF CHICAGO PRESS
50 EAST LAKE STREET, CHICAGO, ILL. 60607
1974

IN WITNESS WHEREOF the undersigned, being the Declarant herein, has hereunto set its hand and seal as of the day and year first above written.

ADA, INC., a Colorado corporation

By: Frederick H. Soren
Its: President

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The above and foregoing Declaration of Covenants, Conditions, Easements and Restrictions was subscribed and sworn to before me this 5 day of September 2008 by _____ as _____ of ADA, Inc., a Colorado corporation, the Declarant.

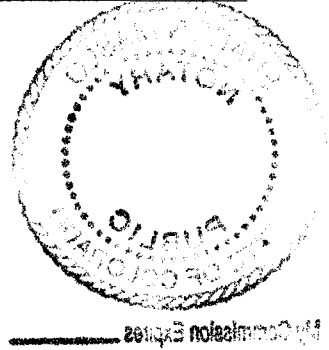
WITNESS my hand and official seal.

My commission expires: 2/23/2011

Sharon Maslo
Notary Public



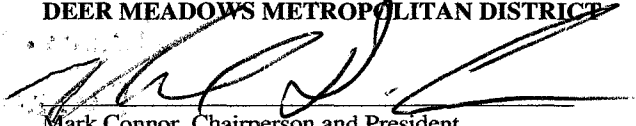
My Commission Expires 2/23/2011



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PURSUANT TO THE SERVICE PLAN FOR DEER MEADOWS METROPOLITAN DISTRICT, the District, as evidenced by its signature below, hereby accepts and acknowledges the delegation and assignment of the powers of administering and enforcing this Declaration pursuant to the terms and provisions hereof.

DEER MEADOWS METROPOLITAN DISTRICT



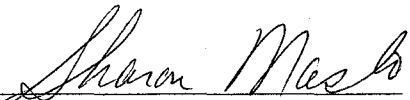
Mark Connor, Chairperson and President

STATE OF COLORADO)
)
COUNTY OF Archapohoe) ss.
)

Subscribed and sworn to before me this 5 day of September, 2008 by Mark Connor, as Chairperson and President of DEER MEADOWS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado.

WITNESS my hand and official seal.

My commission expires: 2/23/2011


Notary Public



My Commission Expires 2/23/2011

