

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

**DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
COVENTRY SUBDIVISION**

(a Common Interest Community)

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS for Coventry Subdivision is made and entered into this 31 day of May, 1995, by McGraw Land Limited Liability Company, a Colorado Limited Liability Company, hereinafter referred to as "Declarant."

RECITALS

A. Declarant is the owner of that certain real property located in the North One-Half of Section 2, Township 6 North, Range 69 West of the Sixth P.M. in the City of Fort Collins, County of Larimer, State of Colorado, legally described on Exhibit A hereof ("the Real Estate"). A Final Plat for the Real Estate was filed on February 17, 1995, at Reception No. 95009362 of the Larimer County Records.

B. 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 owned by an Association of Lot Owners ("the Association").

C. The Real Estate will contain a maximum of 84 Lots. Declarant has reserved the right to add certain additional real property to the Real Estate, as set forth below, in which event a maximum of an additional 16 Lots will be added (for a total of 100 Lots.)

D. Lots 2 through 9, inclusive; 19 through 27, inclusive; and 38, 39, 40, and 43 are subject to grading restrictions and fencing restrictions imposed by the City of Fort Collins. Such restrictions are set forth in sheets 6 through 9 of the Utility Plans for the subdivision, on file with the City of Fort Collins. The drainage improvement systems required to be constructed on such lots must be completed in accordance with such Utility Plans, and a licensed professional engineer must certify that the improvements comply with said Plans, before Certificates of Occupancy will be issued for such lots.

E. The owners of Lots 53 through 62, inclusive, are required by this Declaration to plant at least two (2) trees on the rear portion of each such lot. See Article IX, Section 1, below.

F. Tracts A, B, and C have been dedicated for utility, drainage, irrigation and pedestrian easement purposes and shall be owned and maintained by the Association. Tract D has been conveyed to the Parks Department of the City of Fort Collins. The Association will not have any ownership rights or maintenance duties relative to Tract D.

G. Declarant has caused to be incorporated under the laws of the State of Colorado Coventry Homeowners' Association, a Colorado nonprofit corporation, for the purpose of exercising the functions herein set forth.

ARTICLE I. SUBMISSION OF REAL ESTATE

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

Section 2: "Association" shall mean and refer to the Coventry Homeowners' Association, a Colorado nonprofit corporation.

Section 3: "Bylaws" shall mean and refer to any instruments, however denominated, which are adopted by the Association for the regulation and management of the Association, including amendments to those instruments.

Section 4: "Common Elements" shall mean and refer to any real estate, personal property, or other property rights within the Common Interest Community owned or leased by the Association, other than a Lot. Said property includes, but is not limited to,

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Tracts A, B, and C, which shall be owned by the Association and maintained by the Association for the purposes for which such Tracts have been dedicated. When the expansion property is added to the Common Interest Community, certain entry features and landscaping shall be included and shall be maintained by the Association. The Association shall also own and be responsible for maintaining certain fencing along Hinsdale Street.

Section 5: "Common Expense Liability" shall mean and refer to the liability for Common Expenses allocated to each Lot pursuant to this Declaration.

Section 6: "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. Such Common Expenses may include expenses relative to certain services provided by or through the Association and benefiting only certain Lots, which benefited Lots shall be solely allocated such expenses, as set forth in Article VII, Section 4, below.

Section 7: "Common Interest Community" shall mean and refer to the Real Estate, together with that certain additional real property described on Exhibit B hereof, which may subsequently be added to and become a part of the Common Interest Community.

Section 8: "Dealer" shall mean and refer to a Person in the business of selling Lots for such Person's own account.

Section 9: "Declarant" shall mean and refer to any legal entity, Person or group of Persons acting in concert who:

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

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

Section 10: "Declaration" shall mean and refer to this Declaration, including any amendments hereto and also including, but not limited to, all plats of the Real Estate and of the expansion parcel recorded in the Clerk and Recorder's office of Larimer County, Colorado.

Section 11: "Dispose" or "Disposition" shall mean and refer to a voluntary transfer of any legal or equitable interest in a Lot, but the term does not include the transfer or release of a security interest.

Section 12: "Executive Board" shall mean and refer to the Executive Board of the Association.

Section 13: "Lot" shall mean and refer to a physical portion of the Common Interest Community which is designated for separate ownership or occupancy and the boundaries of which are described in or determined from the Declaration. The term "Lot" as used in this Declaration shall have the same meaning as the term "Unit" as used in the Act.

Section 14: "Lot Owner" shall mean and refer to Declarant or any other Person who owns a Lot but does not include a Person having an interest in a Lot solely as security for an obligation. Declarant is the Owner of any Lot created in the Declaration until that Lot is conveyed to another Person. The term "Lot Owner" as used in this Declaration shall have the same meaning as the term "Unit Owner" as used in the Act.

Section 15: "Mortgagee" shall mean and refer to any Person who has a security interest in a Lot and who has provided written notice of such interest to the Association. "First Mortgage" shall mean and refer to a Mortgagee who has a security interest in a Lot prior to all other security interests except the security interest for real property taxes and assessments made by Larimer County, Colorado, or other governmental authority having jurisdiction over the Common Interest Community.

Section 16: "Person" shall mean and refer to a natural person, a corporation, a partnership, an association, a trust, or any other entity or combination thereof.

Section 17: "Plat" shall mean and refer to the Plat of the Real Estate recorded in the office of the Clerk and Recorder or Larimer County, Colorado, and all recorded amendments thereto, including, but not limited to, plat(s) relating to the expansion property.

Section 18: "Purchaser" shall mean and refer to a Person, other than a Declarant or a Dealer, who, by means of a transfer, acquires a legal or equitable interest in a Lot, other than:

(a) A leasehold interest in a Lot of less than forty (40) years, including renewal options, with the period of the leasehold interest, including renewal options, being measured from the date the initial term commences; or

(b) A security interest.

Section 19: "Real Estate" shall mean and refer to the Real Estate described on Exhibit A hereof. If Declarant subsequently adds the expansion property described on Exhibit B hereof to the Common Interest Community, references to the "Real Estate" shall be deemed to include such additional property.

Section 20: "Residence" shall mean and refer to a single-family residential dwelling constructed on a Lot.

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Section 21: "Residential Use" shall mean and refer to use for dwelling or recreational purposes but does not include Lots primarily use for commercial income from, or service to, the public.

Section 22: "Rules and Regulations" shall mean and refer to any instruments, however denominated, which are adopted by the Association or by the Architectural Control Committee after approval by Declarant or the Executive Board, for the regulation and management of the Common Interest Community, including any amendment to those instruments.

Section 23: "Security Interest" shall mean and refer to an interest in real estate or personal property created by contract or conveyance which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge or an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 24: "Single-family" shall mean and refer to any individual or group of persons related by blood or marriage or any unrelated group of not more than three (3) persons living together in a Residence.

Section 25: "Unit" shall have the same definition as provided in Section 38-33.3-103(30) of the Act.

Section 26: "Unit Owner" shall have the same definition as provided in Section 38-33.3-103(31) of the Act.

ARTICLE III. COMMON INTEREST COMMUNITY

Section 1: Name. The name of the Common Interest Community is Coventry Subdivision.

Section 2: Association. The name of the Association is Coventry Homeowners' Association.

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

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

Section 5: Legal Descriptions. A legal description of the Real Estate included in the Common Interest Community is set forth on Exhibit A hereof. A legal description of the expansion

property which may be hereafter added to the Common Interest Community is set forth on Exhibit B attached hereto and incorporated herein by reference.

Section 6: Maximum Number of Lots. The maximum number of Lots that Declarant reserves the right to create within the Common Interest Community is 84; PROVIDED, HOWEVER, that a maximum of an additional 16 Lots may be added (for a total of 100 lots) if the expansion property is added to the Common Interest Community.

Section 7: Boundaries of Lots. The boundaries of each Lot are set forth on the Plat of the Real Estate.

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

(a) Except as otherwise provided for in Article VII, each Owner's share of the Common Expenses shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Lots within the Common Interest Community.

(b) Each Owner shall be entitled to one (1) vote for each Lot owned.

Section 9: Recording Data. All easements and licenses to which the Common Interest Community is presently subject are listed on Exhibit C hereof. In addition, the Common Interest Community may be subject to other easements or licenses granted by Declarant pursuant to the terms of this Declaration.

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

ARTICLE IV. ASSOCIATION

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

Section 2: Powers. The Association shall have all of the powers, authority, and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the

Common Interest Community. The Association may adopt Rules and Regulations for the regulation and management of the Common Interest Community.

Section 3: Declarant Control. 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 ten (10) years after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado. PROVIDED, HOWEVER, that the period of Declarant control as herein set forth is subject to the limitations of Section 38-33.3-303(5)(6) and (7) of the Act.

ARTICLE V. SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Section 1: Special Declarant Rights. Declarant hereby reserves the right for a period of ten (10) years after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado, to perform the acts and exercise the rights hereinafter specified ("the Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

(a) Completion of Improvements. The right to complete improvements indicated on the Plat.

(b) Exercise of Development Rights. The right to exercise any Development Right reserved in Article VI of this Declaration.

(c) Sales Management and Marketing. The right to maintain a sales office, a management office, signs advertising the Common Interest Community, and models. Declarant shall have the right to determine the number of models and the size and location of the office and models from time to time at its discretion. After Declarant ceases to be the Owner of a Lot, Declarant shall have the right to remove any sales office, management office, or model from the Common Interest Community.

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

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

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(f) Control of Association and Executive Board.
The right to appoint or remove any officer of the Association or any Executive Board member, subject to the restrictions set forth in the Act.

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

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

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 rights 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, utilities, streets, paths, walkways, drainage, recreation areas, parking areas, and to create other reservations, exceptions, and exclusions over, across, and upon the Common Elements for the benefit of and to serve the Lot Owners within the Common Interest Community.

(b) Use Agreements. The right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of Common Elements, which may or may not be a part of the Common Interest Community for the benefit of the Lot Owners within the Common Interest Community.

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

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

ARTICLE VI. RESERVATION OF EXPANSION AND DEVELOPMENT RIGHTS

Section 1: Expansion Rights. Declarant expressly reserves the right to subject all or any part of the property described in Exhibit B hereof ("the Development Property") to the provisions of this Declaration. The consent of the existing Lot Owners or

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Mortgagees shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation, at its sole option.

Section 2: Development and Withdrawal Rights. Declarant expressly reserves the right to create additional Lots and Common Elements, to subdivide the Lots, and to convert Lots into Common Elements on all or any portion of the Real Estate if such Real Estate is reserved for future development on the Plat. Declarant may exercise its Development Rights on all or any portion of the reserved property in whatever order of development Declarant, in its sole discretion, determines. If all or any part of the Development Property is submitted to this Declaration, this right to reserve property for future development shall apply to such property as well. Declarant expressly reserves the right to withdraw all or any portion of the Real Estate that is reserved for future development on any Plat from the Common Interest Community by recording a document evidencing such withdrawal in the office of the Clerk and Recorder of Larimer County, Colorado. The Real Estate withdrawn from the Common Interest Community shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Common Interest Community. Declarant shall prepare and record in the office of the Clerk and Recorder of Larimer County, Colorado, whatever documents are necessary to evidence such easements.

Section 3: Amendment of the Declaration. If Declarant elects to submit the Development Property, or any part thereof, to this Declaration, Declarant shall record an Amendment to the Declaration containing a legal description of the Development Property, or portion thereof to be submitted to this Declaration, and reallocating the Allocated Interests so that the Allocated Interests appurtenant to each Lot will be apportioned according to the total number of Lots submitted to the Declaration. Except and otherwise provided for pursuant to the provisions of Article VII, the Allocated Interests appurtenant to each Lot in the Common Interest Community, as expanded, shall be a fraction, the numerator of which shall be one (1) and the denominator of which shall be the total number of Lots within the Common Interest Community, as expanded.

Section 4: Supplement to the Plat. Declarant shall, contemporaneously with the amendment of this Declaration, file a supplement to the Plat showing the Development Property or portion thereof to be submitted to this Declaration and the Lots and Common Elements created within the Development Property or portion thereof to be submitted to this Declaration.

Section 5: Interpretation. Recording of amendments to the Declaration in the office of the Clerk and Recorder of Larimer County, Colorado, shall automatically (i) vest in each existing Lot Owner the reallocated Allocated Interests appurtenant to their

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Lot; and (ii) vest in each existing Mortgagee a perfected Security Interest in the reallocated Allocated Interests appurtenant to the encumbered Lot. Upon the recording of an amendment to the Declaration, the definitions in this Declaration shall automatically be extended to encompass and to refer to the Real Estate as expanded. The Development Property, or any part thereof, shall be added to and become a part of the Real Estate for all purposes. All conveyances of Lots after such expansion shall be effective to transfer rights in all Common Elements as expanded, whether or not reference is made to any amendment to the Declaration. Reference to the Declaration in any instrument shall be deemed to include all amendments to the Declaration without specific reference thereto.

Section 6: Maximum Number of Lots. The maximum number of Lots in the Common Interest Community, as expanded, shall not exceed one hundred (100). Declarant shall not be obligated to expand the Common Interest Community beyond the number of lots initially submitted to this Declaration.

Section 7: Construction Easement. Declarant expressly reserves the right to perform construction work, store materials on Common Elements, and the future right to control such work and the right of access thereto until its completion. All work may be performed by Declarant without the consent or approval of any Lot Owner or Mortgagee. Declarant shall have such easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations and exercising Declarant's reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Real Estate for the purpose of furnishing utility and other services to the Development Property. Declarant's reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements. If Declarant grants any such easements, the Plat will be amended, if necessary, to include reference to the recorded easement.

Section 8: Reciprocal Easements. If all or part of the Development Property is not submitted to this Declaration, or if property is withdrawn from the Common Interest Community ("the Withdrawn Property"): (i) the Lot Owner(s) of the Development Property and/or Withdrawn Property shall have whatever easements are necessary or desirable, if any, for access, utilities services, repair, maintenance, and emergencies over and across the Common Interest Community; and (ii) the Lot Owner(s) in the Common Interest Community shall have whatever easements are necessary or desirable, if any, of access, utilities services, repair, maintenance, and emergencies over and across the Development Property and Withdrawn Property. Declarant shall prepare and record in the office of the Clerk and Recorder of Larimer County, Colorado, any documents necessary to evidence such easements.

Such recorded easement(s) shall specify that the Lot Owners of the Development Property and the Withdrawn Property and the Lot Owners in the Common Interest Community shall be obligated to pay a proportionate share of the costs of the operation and maintenance of any easements utilized by either one of them on the other's property upon such reasonable basis as Declarant shall establish in the easement(s). Preparation and recording by Declarant of an easement pursuant to this Section 9 shall conclusively determine the existence, location, and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section 9.

Section 9: Termination of Expansion and Development Rights. The expansion and Development Rights reserved to Declarant, for itself, its successors and assigns, shall expire ten (10) years from the date of recording this Declaration, unless the expansion and Development Rights are (i) extended as allowed by law or (ii) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Executive Board may impose on the subsequent exercise of the expansion and development rights by Declarant.

Section 10: Transfer of Expansion and Development Rights. Any expansion, development, or withdrawal right created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in Larimer County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee.

ARTICLE VII. ASSESSMENT FOR EXPENSES

Section 1: Common Expenses Prior to Assessments. Until the Association makes a Common Expense Assessment, Declarant shall pay all common expenses. The Association shall charge the appropriate Lot Owners for special expenses as defined in Section 5 of this Article, promptly after each service described therein is provided by or through the Association; such charges shall not terminate the duty of Declarant to pay all Common Expenses as defined in Section 4, below, until such time as the Association makes a Common Expense Assessment.

Section 2: Personal Obligation of Owners for Expenses. After Assessments are made by the Executive Board, Declarant for each Lot owned hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Common Expense Assessments imposed by the Association to meet the estimated Common Expenses. In addition, each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association for special services provided by or through the Association, as defined in Section 5 of this Article VII.

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Section 3: 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, maintenance, repair, and replacement of the Common Elements.

Section 4: Common Expenses. All expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the Common Elements shall be Common Expenses. Such items may include, but shall not be limited to, expenses of management; taxes and special assessments unless separately assessed; premiums for insurance; expenses for leasing or purchasing water for irrigation of greenbelt areas; landscaping and care of all greenbelt areas; all utility, mechanical, and other costs associated with providing water to, and irrigating, all greenbelt areas; all electricity and other costs of providing legal and accounting fees; professional management fees; and all other expenses and liabilities incurred by the Association or any of its agents or employees on behalf of the Lot Owners. In addition, assessments may relate to deficits remaining from a previous period; the creation of any reasonable contingency reserve, working capital or sinking fund; and any reserve fund for replacement or improvement of Common Elements. Such Common Expenses shall be paid by each Lot Owner. The obligation of each Lot Owner shall be determined by dividing the aggregate sum of such Common Expenses by the total number of Lots within the Common Interest Community, and each Lot Owner shall be obligated to pay his or her proportionate share of such aggregate sum.

The Association shall have the right to charge a Lot Owner for any expense caused by the misconduct of such Lot Owner, in which event such expense may be assessed exclusively against such Owner. The lien rights provided to the Association by this Declaration shall extend to all charges provided for in this Section 4 and shall include Court costs and reasonable attorneys' fees incurred by the Association in collecting such charges.

Section 5: Special Assessments for Capital Improvements. In addition to the annual Assessments authorized above, the Association may levy, in any assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such Special Assessment shall have the consent of two-thirds (2/3) of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6: Notice and Quorum for any Action Authorized Under Section 7. Written notice of any meeting called for the purpose of taking any action authorized under Section 7 shall be sent to

all Owners not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast twenty percent (20%) of all the votes of the Owners shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7: Uniform Rate of Assessment. Except as otherwise provided in Sections 4 and 5 above, both annual and special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 8: Date of Commencement of Annual Assessments Due Dates. The annual Assessments provided for herein shall commence as to all Lots on a date hereafter specified by Declarant, and shall initially be Two Hundred Fifty Dollars (\$250) per Lot. The Executive Board shall fix the amount of subsequent annual Assessments in accordance with the requirements of 38-33.3-303(4) of the Act. The due dates shall be established by the Executive Board. The executive Board may, at its discretion, permit annual assessments to be payable in equal installments, as determined by the Executive Board.

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

Section 10: Reserve Fund for Assessments. Upon the sale, transfer, or conveyance of a Lot, the purchaser or transferee of the Lot shall deposit Two Hundred Dollars (\$200) with the Association as a reserve fund for the payment of assessments hereunder. 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 Lot 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

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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: Lien for Nonpayment of Expenses. Any Assessment, charge, or fee provided for in this Declaration or any monthly or other installment thereof which is not fully paid within ten (10) days after the date due shall bear interest at a rate determined by the Executive Board. In addition, the Executive Board may assess a late charge thereon. Any Owner who fails to pay any Assessment, charge, or fee of the Association shall also be obligated to pay to the Association, on demand, all costs and expenses incurred by the Association, including reasonable attorney's fees, in collecting the delinquent amount. The total amount due to the Association, including unpaid Assessments, fees, charges, fines, interest, late payment penalties, costs, and attorney's fees, shall constitute a lien on the defaulting Owner's Lot as provided in the Act. Said lien shall have the priority provided for in Section 38-33.3-116 of the Act. The Association may bring an action, at law or in equity, or both, against any Owner personally obligated to pay any amount due to the Association or any monthly or other installment thereof and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against a delinquent Owner to recover a money judgment for unpaid amounts due to the Association or monthly or other installments thereof may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien.

ARTICLE VIII. ARCHITECTURAL CONTROL

Section 1: Architectural Control Committee(s):

(a) Membership. The Architectural Control Committee shall consist of up to three (3) persons. After the period of Declarant control ends, the members of the Architectural Control Committee shall be appointed by the Executive Board from among the Owners. Declarant may voluntarily surrender the right to appoint members of the Architectural Control Committee. Until the period of Declarant control of the Association ends, Declarant shall have the same right to appoint the members of each Committee as set forth above and may voluntarily surrender the right to appoint one or both Committees. Initially, Declarant appoints the following person as the member of the Architectural Control Committee: James R. McCory.

(b) Purpose. The Architectural Control Committee is hereby established for the purpose of maintaining within the Common Interest Community a consistent and harmonious general

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character of development and a style and nature of building design and visual appeal consistent with the natural beauty and features of the Common Interest Community. A majority of the members of the Architectural Control Committee may designate a representative to act for it. In the event of a vacancy in the Architectural Control Committee, a majority of the remaining members shall have full authority to fill such vacancy. The members of the Architectural Control Committee shall not be entitled to any compensation for services rendered pursuant to this Declaration, provided, however, that members of the Architectural Control Committee shall be reimbursed by the Association for all costs and expenses incurred in performing their duties pursuant to the terms of this Declaration.

Section 2: Buildings and Structures. No building, fence, wall, or other structure shall be erected, placed, or altered on any Lot until the plans and specifications, along with a plot plan, have been approved by the Architectural Control Committee, which plans and specifications shall, among other things, show the size and height of the structure; the type of exterior material, color, and finish; exterior design; existing structures, if any, and location of the structure with respect to utility lines and facilities, property liens, streets, topography, and finished grade. The Architectural Control Committee shall have the right to hire an architect or engineer to assist the committee in reviewing any plans or specifications submitted to the committee and the applicant shall be obligated to pay the fee of such architect or engineer, in an amount as determined by the Architectural Control Committee's Rules and Regulations.

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

Approval by the Architectural Control Committee shall be in writing or indicated by endorsement on the plans and specifications submitted for approval. In the event the Architectural Control Committee fails to approve or disapprove the plans and specifications submitted to it by the Owner of a Lot within forty-five (45) days after submission of the plans and specifications, then such approval shall not be required and shall be deemed to have been given. However, no building or other structure shall be erected or allowed to remain on any Lot which violates any of the covenants or restrictions herein contained. The issuance of a

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building permit or license by the City of Fort Collins, Colorado, or other governmental authority having jurisdiction over the Common Interest Community shall not prevent or prohibit the Architectural Control Committee or an Owner from enforcing the terms and provisions of this Declaration; and approval by the Architectural Control Committee of plans and specifications submitted to it shall not constitute any representation that such plans and specifications comply with applicable zoning ordinances or building codes.

Section 3: Landscaping. The plan for all shrubs, plants, trees, gardens, swimming pools, playground areas, gazebos, outbuildings and the like shall be approved by the Architectural Control Committee. Each Lot Owner shall be required to submit a landscape plan to the Committee in the same manner as provided for building plans and specifications. Such plans must be approved by the Architectural Control Committee in the same manner as provided for building plans and specifications, before their construction or installation. All landscaping for lots on which a Residence has been substantially completed between January 1 and August 31 of any year shall be landscaped in the same year; if the Residence is substantially completed after August 31, such landscaping shall be completed by May 31 of the following year. Prior to construction of a Residence on a Lot, each Lot Owner shall be responsible for maintaining such Lot free of debris, trash, and weeds.

Section 4: Construction. All buildings and structures, and all landscaping, for which the approval of the Architectural Control Committee is required under Sections 2 and 3 of this Article VIII shall be completed by the Owner thereof in strict conformity with the approved Plans and Specifications. If necessary, the Architectural Control Committee shall have the right, but not the obligation, to enter upon a Lot if necessary, in order to complete such improvements in conformity with the approved Plans and Specifications. Such right shall not preclude the Architectural Control Committee or the Executive Board from seeking any other legal or equitable remedy against the Owner.

Section 5: Liability. The Architectural Control Committee shall not be liable to any Owner for any loss, cost, expense, or damage, including attorney's fees, suffered by such Owner as a result of any decision made by the Architectural Control Committee unless such action is taken with malice against an Owner.

ARTICLE IX. USE RESTRICTIONS

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

story shall have a minimum finished area of 1,500 square feet. Each Residence having two stories shall have a finished area of at least 1,700 square feet, with a finished area of at least 900 square feet on the main floor.

The roof on each Residence shall have a minimum pitch of 6/12 and shall be composed of laminated asphalt composition or other materials meeting the current requirements of the City of Fort Collins.

At least thirty percent (30%) of the surface area of the front (facing the street), first floor level of each Residence shall be covered with masonry.

At least two (2) trees shall be planted in the rear of each of Lots 53 through 62, inclusive.

Section 2: Garages. Each Residence shall include a garage having space for not less than one (1) nor more than four (4) automobiles.

Section 3: Height of Buildings. No building shall exceed a maximum of forty feet (40') in height measured from finished grade as indicated in the city approved grading.

Section 4: Fences. Any fence to be constructed on a Lot must be approved by the Architectural Control committee and conform to the standard subdivision design as set forth in the Architectural Control Committee Rules and Regulations. Fences with two (2) or three (3) peeled rails, with single posts, shall be allowed. Such fences shall be unpainted. The Architectural Control Committee shall, in addition, provide two (2) approved privacy fence designs, showing their design and allowable colors.

Section 5: Antennas. One (1) small satellite antenna may be installed and maintained on any Lot, but only upon compliance with the following conditions:

(a) Prior written approval of the Architectural Committee must be obtained, both before initial installation and before relocation of any previously approved existing satellite antenna;

(b) Each satellite antenna must be thirty inches (30") or less in diameter and must be disguised to resemble and must be, in fact, visually indistinguishable from other structures, devices or improvements otherwise allowed hereunder;

(c) Each satellite antenna must not be visible from the front of the Lot upon which it is located;

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(d) Adequate screening (fencing, shrubbery, etc.) as is deemed appropriate by the Architectural Committee to effectuate the intent of Paragraphs (b) and (c) and also to adequately screen the satellite antenna from neighboring lots, parks, parkways, greenbelts, school grounds, and open space must be proposed and provided;

(e) Each satellite antenna installed on a Lot is restricted for the personal use of the Owner of such Lot;

(f) When located at ground level, the top of the satellite antennae unit may not exceed forty-five inches (45") above grade;

(g) The installation of the satellite antenna must comply with any zoning requirements and building codes, if applicable, with evidence of such compliance to be provided to the Architectural Control Committee;

(h) Mounting of satellite antenna on roofs, walls or eaves of a residence will not be approved.

NOTE: Architectural Control Committee approval of a satellite dish antenna is in no way to be construed as a representation, guaranty, warranty, etc. by the Architectural Committee and/or Declarant that reception and/or transmission signals will be adequate or will remain undisturbed by vegetation or improvements located on surrounding properties.

Except as set forth above, no antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, including by example and not limitation, satellite dishes, shall be erected, used, or maintained outdoors on any Lot whether attached to a building or structure or otherwise, unless approved by the Architectural Control Committee.

Section 6: Storage of Vehicles. Boats, campers, motor homes, trailers, machines, and inoperative automobiles shall not be stored or permitted to remain on any Lot, except within fully-enclosed garages or within fully-screened, fenced areas behind the front setback of the Residence. For purposes of this provision, any disassembled or partially disassembled car, truck or other vehicle or any car, truck, or other vehicle which has not been moved under its own power for more than one (1) week shall be considered an inoperable automobile subject to the terms of this provision

Section 7: Maintenance of Lots and Improvements. Owners of Lots shall keep or cause to be kept all buildings, fences, and other structures and all landscaping located on their property in good repair. Rubbish, refuse, garbage, and other solid, semi-

solid, and liquid waste shall be kept within sealed containers, shall not be allowed to accumulate on any Lot, and shall be disposed of in a sanitary manner. No Lot shall be used or maintained as a dumping ground for such materials. All containers shall be kept in a neat, clean, and sanitary condition and shall be stored inside a garage or other approved structure. No trash, litter, or junk shall be permitted to remain exposed on any Lot and visible from adjacent streets or other Lots. Burning of trash on any Lot shall be prohibited. No lumber or other building materials shall be stored or permitted to remain on any Lot unless screened from view from other Lots and from the streets, except for reasonable storage during construction.

Section 8: Nuisance. Nothing shall be done or permitted on any Lot which is or may become a nuisance. No obnoxious or offensive activities or commercial business or trades shall be conducted on any Lot, except home occupations as defined and permitted by the applicable zoning resolution of the City of Fort Collins.

Section 9: Household Pets. Household pets, such as dogs and cats, shall be permitted on any Lot, provided that said pets are restricted by leash or chain or confined by fence within the Lot or are properly trained and are at all times within the control of and controlled by the Owner. Household pets may not be kept, bred, or maintained on any Lot for commercial purposes.

No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in or on the Units; PROVIDED, HOWEVER, that the Unit Owners of each Unit may keep a reasonable number of dogs, cats or other domestic animals which are bona fide household pets, so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Units. The Association shall have, and is hereby given, the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance, or that a Unit Owner is otherwise in violation of the provisions of this Section, and to take such action(s) as it may deem appropriate to correct the same. A Unit Owner's right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets, and any such costs and damages shall be subject to all of the Association's rights with respect to the collection and enforcement of assessments as provided in Article IV hereof.

Section 10: Damage or Destruction of Improvements. In the event any Residence or other structure constructed on a Lot is damaged, either in whole or in part, by fire or other casualty,

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said Residence or other structure shall be promptly rebuilt or remodeled to comply with this Declaration; or in the alternative, if the Residence or other structure is not to be rebuilt, all remaining portions of the damaged structure, including the foundation and all debris, shall be promptly removed from the Lot, and the Lot shall be restored to its natural condition existing prior to the construction of the Residence or other structure.

Section 11: Storage Tanks and Containers. No elevated tanks of any kind shall be erected, placed, or permitted to remain on any Lot. All air-conditioning, refrigeration, cooling, heating, or other mechanical equipment or system which is located outside of a Residence or other structure on a Lot shall be screened from view from other Lots and from the streets by fencing or landscaping approved by the Architectural Control Committee.

ARTICLE X. GENERAL PROVISIONS

Section 1: Enforcement. Enforcement of this Declaration shall be by appropriate proceedings at law or in equity against those persons or entities violating or attempting to violate any covenant, condition, or restriction herein contained. Such judicial proceedings shall be for the purpose of removing a violation, restraining a future violation, for recovery of damages for any violation, or for such other and further relief as may be available. Such judicial proceedings may be prosecuted by an Owner, by the Architectural Control Committee, or by the Association. In the event it becomes necessary to commence an action to enforce this Declaration, the court shall award to the prevailing party in such litigation, in addition to such damages as the Court may deem just and proper, an amount equal to the costs and reasonable attorney's fees incurred by the prevailing party in connection with such litigation. The failure to enforce or to cause the abatement of any violation of this Declaration shall not preclude or prevent the enforcement thereof or of a further or continued violation, whether such violation shall be of the same or of a different provision of this Declaration.

Section 2: Duration. This Declaration shall run with the land, shall be binding upon all persons owning Lots and any persons hereafter acquiring said Lots, and shall be in effect in perpetuity unless amended or terminated as provided in the Act.

Section 3: Amendment. Except in cases where the Declaration may be amended by Declarant as provided in Article V and Article VI hereof, or except in cases where the Association or Unit Owners may amend this Declaration as provided in the Act and except as limited by 38-33.3-217(4) of the Act, this Declaration may be altered or amended at any time by the then record Owners of sixty-seven percent (67%) or more of the Lots, through a duly written and recorded instrument.

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

ARTICLE XI. MORTGAGE 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 and others as identified in Section 2. This Article is supplemental to, and not in substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

Section 2: Percentage of Eligible Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgages is required, it shall mean the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them such specified percentage of votes in the Association as compared to the total allocated to all Units then subject to Security Interests held by Eligible Mortgagees.

Section 3: Notices of Actions. The Association shall give prompt written notice to each Eligible Mortgagee and Eligible 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 Eligible Mortgagee or Eligible 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 Eligible Mortgage or Eligible 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;

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(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 4 below; and

(e) Any judgment rendered against the Association.

Section 4: Consent and Notice Required.

(a) Document changes. Notwithstanding any requirement permitted by this Declaration of the Act, no amendment of any provision of the Documents by the Association or Unit Owners described in this Subsection may be effective without notice to all Eligible Mortgagees and Eligible Insurers, and as required by Section 3 above, and the vote of at least sixty-seven percent (67%) of the 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 Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Development Right which affect or modify:

(I) Voting rights;

(II) Assessments, assessment liens or priority of assessment liens;

(III) Reserves for maintenance, repair and replacement of Common Elements;

(IV) Responsibility for maintenance and repairs;

(V) Reallocation of interest in the Common Elements;

(VI) Redefinition of boundaries of Units, except that when boundaries of only adjoining Units are involved, then only those Unit Owners and the Eligible Mortgagees holding Security Interests in such Unit or Units need approve such action;

(VII) Except for the rights specifically reserved herein by Declarant for Declarant's sole discretion, expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of property to or from the Common Interest Community;

(VIII) Insurance or fidelity bonds;

(IX) Leasing of Units;

(X) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;

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(XI) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation; and

(XII) 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 Declarant as Special Declarant Rights, without the notice to all Eligible Mortgagees, and Eligible Insurers as required by Section 3 above, and approval of at least fifty-one percent (51%) (or the indicated percentage) of the Eligible Mortgagees:

(I) Convey or encumber the Common Elements or any portion thereof, where an eighty percent (80%) Eligible Mortgagee approval is required. (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);

(II) The termination of the Common Interest Community for reasons other than substantial destruction or condemnation, as to which sixty-seven percent (67%) of the Votes of Eligible Mortgagees is required;

(III) The granting of any permits, easements, leases, licensors 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, however, any utility, road or other easements serving or necessary to serve the Common Interest Community and excluding any leases, licenses or concessions for more than one (1) year);

(IV) The merger of the Common Interest Community with any other Common Interest Community.

(V) The assignment of the future income of the Association, including its rights to receive Common Expense Assessments.

(VI) Any action taken not to repair or replace the property.

(c) The failure of an Eligible Mortgagee or Insurer to respond within thirty (30) days to any written request of the Association delivered by certified or registered mail,

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"return receipt requested" for approval of an addition or amendment of the Documents wherever Eligible Mortgagee or Insurer approval is required, shall constitute an implied approval of the addition or amendment.

Section 5: Development Rights. No Development Rights may be exercised or voluntarily abandoned or terminated by Declarant unless all persons holding Security Interests in the Development Rights consent to the exercise, abandonment, or termination.

Section 6: Inspection of Books. The Association must maintain current copies of the Declaration, Bylaws, Rules, books and records and financial statement. The Association shall permit any Eligible Mortgagee or Eligible Insurer or other first mortgagee of Units, to inspect the books and records of the Association during normal business hours.

Section 7: Financial Statements. The Association shall provide any Eligible Mortgage or Eligible 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 or shall be reviewed by an independent certified public accountant if:

(a) The Common Interest Community contains fifty (50) or more units, in which case the costs of the audit or review shall be a Common Expense; or

(b) an Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the costs of the audit or review.

Section 8: Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, at law, or in equity.

Section 9: Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting which a Unit Owner may attend.

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

MCGRAW LAND LIMITED LIABILITY
COMPANY, a Colorado Limited
Liability Company

BY: 
James R. McCory, Managing
Member

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STATE OF COLORADO)
COUNTY OF LARIMER) ss.

3/9 The foregoing instrument was acknowledged before me this day of May, 1995, by James R. McCorry, Managing Member of McGraw Land Limited Liability Company, a Colorado Limited Liability Company.

Witness my hand and official seal.

My commission expires: 11/19/95.

A circular notary seal for the State of Colorado, featuring a star in the center and the words "NOTARY PUBLIC" and "STATE OF COLORADO" around the perimeter.
[Signature]
Notary Public

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EXHIBIT A
TO
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
COVENTRY SUBDIVISION

(a Common Interest Community)

The Real Estate is legally described as follows:

Lots 1 through 84 inclusive, COVENTRY SUBDIVISION FILING NO. 1, according to the plat recorded February 17, 1995, at Reception No. 95009362, County of Larimer, State of Colorado.

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EXHIBIT B
TO
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
COVENTRY SUBDIVISION

(a Common Interest Community)

The expansion property is legally described as follows:

All that property as described in Deed recorded July 26, 1994, at Reception No. 94062830, EXCEPT that portion platted as Coventry Subdivision Filing No. 1; being a portion of the North Half of Section 2, Township 6 North, Range 69 West of the Sixth P.M., County of Larimer, State of Colorado.