

DECLARATION OF PROTECTIVE COVENANTS OF PRAIRIESTAR

THIS DECLARATION OF PROTECTIVE COVENANTS OF PRAIRIESTAR ("Covenants") is made as of this 14 day of ~~November~~, 2014, by PRAIRIESTAR, INC., a Colorado corporation ("Master Developer").

WITNESSETH:

WHEREAS, Master Developer is the owner of that certain real property in the Town of Berthoud, County of Larimer, State of Colorado (the "Town"), which includes that property to be developed as Filing No. 1 of the PrairieStar development and as described on the Final Plat for Filing No. 1, attached as Exhibit A (the "Property"); and

WHEREAS, Master Developer desires to subject and place upon the Property certain covenants, conditions, restrictions, easements, reservations, rights-of-ways, obligations, liabilities and other provisions; and

WHEREAS, these Covenants do 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; and

WHEREAS, pursuant to C.R.S. §32-1-1004(8), it is the intention of Master Developer, in imposing these Covenants on the Property, to empower PrairieStar Metropolitan District No. 2, a metropolitan district that governs the Property, to furnish covenant enforcement, easement services and design review services for the Property and to use revenues therefore that are derived from the Property.

NOW, THEREFORE, Master Developer hereby declares that the Property shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities, and other provisions set forth herein.

**ARTICLE 1.
DEFINITIONS**

Section 1.1 APARTMENTS.

"Apartments" means a multiple family dwelling structure containing two or more dwelling units and commonly known as an apartment building constructed on any Lot.

Section 1.2 AUTHORIZED ENTITY.

"Authorized Entity" means the entity with design approval rights under these Covenants, which is the Master Developer until expiration of the Master Development Period and thereafter the governing board of the Metropolitan District; provided, however, Master Developer may assign its

rights and obligations regarding the design review to the Metropolitan District prior to termination of the Master Development Period.

Section 1.3 BUILDER.

“**Builder**” means (i) any Person who acquires ten or more Lots for the purpose of constructing a residential structure on each such Lot for sale to the public, (ii) any Person who acquires one or more Lots for the purpose of constructing Apartments on such Lot, and (iii) any Person who acquires ten or more lots Lot for sale to any Person fitting the description in Section 1.3(i) and/or for constructing a residential structure on any of such Lots for sale to the public.

Section 1.4 CARRIAGE UNIT.

“**Carriage Unit**” means an accessory dwelling integrated within a single-family dwelling, or located in a detached accessory building and located on the same lot as single-family dwellings.

Section 1.5 COVENANT’S.

“**Covenants**” means these Protective Covenants of PrairieStar, as amended and supplemented.

Section 1.6 FINAL DEVELOPMENT PLAN.

“**Final Development Plan**” or “**FDP**” means the Final Development Plan for PrairieStar approved by the Town Board of Trustees on March 18, 2014, as may be amended.

Section 1.7 PRAIRIESTAR DESIGN REVIEW COMMITTEE OR PDRC.

“**PrairieStar Design Review Committee**” or “**PDRC**” means the committee appointed by the Master Developer until termination of the Master Development Period, and thereafter appointed by the Metropolitan District, all as provided in Section 2.1 of these Covenants; provided, however, Master Developer may assign its rights and obligations regarding the PDRC to the Metropolitan District prior to termination of the Master Development Period. The PDRC may be designated by the Master Developer and/or Metropolitan District as more fully provided in these Covenants as the representative to review requests for design review approval and make determinations for approval or disapproval.

Section 1.8 IMPROVEMENTS.

“**Improvements**” means all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, and all landscaping features, including buildings, outbuildings, environmental sustainability improvements, including geothermal systems, solar systems, swimming pools, hot tubs, satellite dishes, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, driveways, fences, including gates in fences, basketball backboards and hoops, swing sets or other play structures, screening walls, retaining walls, stairs, decks, landscaping, exterior light fixtures, poles, signs, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment, if any.

Section 1.9 LOT.

“Lot” means each platted lot that is now or hereafter included within the Property which is shown upon any recorded plat or any parcel of land that may be sold or conveyed without violation of the provisions of Colorado law pertaining to the subdivision of land. The foregoing shall include each platted lot and each parcel of real estate on which one or more apartment lots may now or hereafter be located.

Section 1.10 MASTER DEVELOPER.

“Master Developer” means PrairieStar, Inc., a Colorado corporation, and/or any other Person to whom the Master Developer may assign one or more of the Master Developer’s rights under these Covenants (which shall be the extent of the Master Developer’s rights to which such assignee succeeds); provided, that no assignment of any Master Developer rights shall be effective unless such assignment is duly executed by the assignor Master Developer and recorded in Larimer County, Colorado.

Section 1.11 MASTER DEVELOPMENT PERIOD.

“Master Development Period” means the period of time commencing on recordation of these Covenants in Larimer County, Colorado, and expiring upon conveyance of all of the Lots to Owners other than Master Developer or Builders. Any supplemental real property subjected to these Covenants through a Supplemental Declaration shall be subject to a Master Development Period for the supplemental real property commencing on the recordation of the Supplemental Declaration.

Section 1.12 METROPOLITAN DISTRICT.

“Metropolitan District” means PrairieStar Metropolitan District No. 2, and/or any other metropolitan district, to which the then-Metropolitan District may transfer or assign any or all of the rights and duties of the Metropolitan District under these Covenants. Each such assignment or transfer, if any, shall be effective upon recording in Larimer County, Colorado, of a document of transfer or assignment, duly executed by the then-Metropolitan District. The Metropolitan District shall furnish covenant enforcement and easement services and further, shall provide design review services upon the first to occur of (i) termination of the Master Development Period or (ii) upon assignment by Master Developer.

Section 1.13 OWNER.

“Owner” means each fee simple title holder of a Lot, including Master Developer, any Builder and 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.

Section 1.14 PERSON.

“Person” means a natural person, a corporation, a limited liability company, a partnership, a trust, a joint venture, an unincorporated association, or any other entity or any combination thereof and

2.2.2 The PDRC and the Authorized Entity shall exercise their reasonable judgment to the end that all Improvements conform to and harmonize with the existing surroundings, residences, landscaping and structures. However, neither the PDRC nor the Authorized Entity will determine whether any proposed Improvement complies with governmental requirements, such as those of the Town. Rather, as provided in Section 2.2.4, below, the applicant is also required to submit proposed Improvements to the applicable governmental entities for a determination of compliance with governmental requirements. In its review of such plans, specifications and other materials and information, the PDRC may require, as a condition to its considering an approval request, that the applicant(s) pay and/or reimburse the PDRC and/or the Authorized Entity, as applicable, for the expenses incurred in the process of review and approval or disapproval. A schedule of fees shall be adopted and set forth in the Design Guidelines. All fees must be paid by the applicant at the time of submittal.

2.2.3 Any request for proposed Improvements which includes a Carriage Unit is subject to the imposition of an additional fee associated with the approval of the Carriage Unit and payable to the Master Developer.

2.2.4 In addition to the foregoing review and approvals, and notwithstanding anything to the contrary in these Covenants, the construction, erection, addition, deletion, change or installation of any Improvements shall also require the applicant to obtain the approval of all governmental entities with jurisdiction thereover, including the Town, and issuance of all required permits, licenses and approvals by all such entities. Without limiting the generality of the preceding sentence, issuance of building permit(s) by the Town, if required, shall be a precondition to commencement of any construction of, alteration of, addition to or change in any Improvement.

2.2.5 The Authorized Entity may, at any time, appoint a representative to act on its behalf. If so, then the actions of such representative shall be the actions of its assignor, subject to the right of appeal as provided below. However, if such a representative is appointed, then the entity with design approval rights under these Covenants shall have full power over such representative, including the power to at any time withdraw from such representative any of such representative's authority to act on behalf of the assignor and the power to at any time remove or replace such representative. The PDRC shall be the initial representative of the Authorized Entity for design review and approval.

Section 2.3 GUIDELINES.

The Authorized Entity has the authority to promulgate architectural standards, rules, regulations and/or guidelines (collectively the "Guidelines") to interpret and implement the provisions of this Article and these Covenants; but the Guidelines shall not be in conflict with any requirement of applicable law, regulation, or the Town Design Standards or these Covenants. Such provisions may include: clarifying the designs and materials that may be considered in design approval, requirements for submissions, procedural requirements, specification of acceptable Improvement(s) that may be installed without prior review or approval; and permitting the Authorized Entity and Metropolitan District with respect to any violation(s) or alleged violation(s) of

any of these Covenants and/or the Guidelines, to send demand letters and, notices, levy and collect fines, and negotiate, settle and take any other actions. In addition, such provisions may provide for blanket approvals, interpretations, or restrictions. By way of example, and not by way of limitation, such provisions may state that a certain type of screen door will be acceptable and will not require approval, or may state that only one or more types of fences are acceptable and no other types will be approved. All Improvements proposed to be constructed, and any Guidelines that are adopted, shall be done and used in accordance with these Covenants.

Section 2.4 MASTER DEVELOPER AND BUILDER EXEMPTION.

2.4.1 Master Developer shall be exempt from the provisions of this Article except for the requirements contained in Sections 2.2.4 hereof. This exemption shall terminate upon expiration of the Master Development Period.

2.4.2 Notwithstanding anything to the contrary contained in these Covenants, as long as a Builder has received design approval of landscape plans, site plans, fencing plans, and home elevations, for each Lot, from Master Developer, such Builder shall be exempt from the design review provisions of this Article 2 contained in 2.2.1, 2.2.2, and 2.5. This exemption shall terminate upon expiration of the Master Development Period.

Section 2.5 PROCEDURES.

The PDRC shall review each request for approval and make a decision within forty-five (45) days after the complete submission of the plans, specifications and other materials and information which the PDRC may require in conjunction therewith. If the PDRC fails to review and make a determination on any request within forty-five (45) days after the complete submission of the plans, specifications, materials and other information with respect thereto, then Owner shall notify the PDRC in writing of the failure to provide a determination and provide the PDRC with an additional thirty (30) days to review and make a determination. In the event, that the PDRC does not make a determination in response to an Owner's second request for review and approval within thirty (30) days of such request then the request for approval is deemed approved.

Section 2.6 PROSECUTION OF WORK AFTER APPROVAL.

After approval of any proposed Improvement, the proposed Improvement shall be accomplished as promptly and diligently as possible and in complete conformity with all conditions and requirements of the approval. Except for the Master Developer, failure to complete the proposed Improvement within one (1) year after the date of approval of the application or to complete the Improvement in complete conformance with the conditions and requirements of the approval, shall constitute noncompliance; provided, however, that the PDRC or Authorized Entity may grant extensions of time for completion of any proposed Improvements. Non-compliance with any provision of these Covenants may result in any of the remedies that are provided for in Article 5 of these Covenants.

Section 2.7 NOTICE OF COMPLETION.

Upon the completion of any Improvement, the applicant for approval of the same shall give a written "Notice of Completion" to the PDRC. Until the date of receipt of such Notice of Completion, the PDRC shall not be deemed to have notice of completion of any Improvement on which approval has been sought and granted as provided in this Article.

Section 2.8 INSPECTION OF WORK.

The PDRC shall have the right to inspect any Improvement prior to or after completion in order to determine whether or not the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Article. However, such right of inspection shall terminate sixty (60) days after the PDRC has received a Notice of Completion from the applicant.

Section 2.9 NOTICE OF NONCOMPLIANCE.

If, as a result of inspections or otherwise, the PDRC determines that any Improvement has been done without obtaining the required approval, or was not done in substantial compliance with the approval that was granted, or was not completed within one (1) year after the date of approval (except for the Master Developer who is not subject to such time requirement), subject to any extensions of time granted pursuant to Section 2.7 hereof, the PDRC shall notify the applicant in writing of the noncompliance; which notice of noncompliance shall be given within sixty (60) days after the PDRC receives a Notice of Completion from the applicant. The notice of noncompliance shall specify the particulars of the noncompliance.

Section 2.10 CORRECTION OF NONCOMPLIANCE.

If the PDRC determines that a noncompliance exists, the Person responsible for such noncompliance shall remedy or remove the same, and return the subject property or structure to its original condition or a condition acceptable to the PDRC in conformity with the conditions and requirements of approval of the Improvements, or submit a new request for approval pursuant to the procedures set forth in Section 2.5 hereof, within a period of not more than forty-five (45) days from the date of receipt of the notice of noncompliance. If such Person does not comply with the ruling within such period, the PDRC, or the Authorized Entity may, at their option, record a notice of noncompliance against the Lot on which the noncompliance exists, may remove the non-complying Improvement or may otherwise remedy the noncompliance, and the Person responsible for such noncompliance shall reimburse the PDRC or the Authorized Entity: as applicable, upon demand, for all costs and expenses incurred with respect thereto.

Section 2.11 COOPERATION.

The PDRC and the Authorized Entity shall each have the right and authority to enter into agreements and otherwise cooperate with any other architectural review committees, or one or more other boards or committees that exercise architectural or design review functions, or any other Person, in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the PDRC or the Authorized Entity. The costs and expenses for

all such matters, if any, shall be shared or apportioned between such Persons and the Authorized Entity, as the Authorized Entity may determine. The foregoing shall include collection; payment, and disbursement of fees, charges, or other amounts.

Section 2.12 ACCESS EASEMENT TO PDRC AND AUTHORIZED ENTITY.

Each Lot shall be subject to an easement in favor of the PDRC and the Authorized Entity, including the agents, employees and contractors thereof, for performing any of the actions contemplated in this Article. If damage is inflicted, or a strong likelihood exists that it will be inflicted, on any other property or any Lot, the Person responsible for the damage or expense to avoid damage, or the PDRC, or the Authorized Entity, if either of the latter is responsible for such damage, is liable for the cost of prompt repair. Further, the rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Lot; except that no such notice shall be required in connection with any exterior, non-intrusive maintenance; and except that in emergency situations entry upon a Lot may be made at any time, provided that the Owner(s) or occupant(s) of each affected Lot shall be notified of emergency entry as early as is reasonably possible. The interior of any residence shall not be subject to the easements provided for in this Section.

Section 2.13 NO LIABILITY.

In reviewing or approving any matter, the PDRC, and the Authorized Entity, shall not be responsible for the safety, whether structural or otherwise, of the Improvements submitted for review, nor the conformance with applicable building codes or other governmental laws or regulations, nor compliance with any other standards or regulations, and any approval of an Improvement by the Authorized Entity shall not be deemed an approval of any such matters. No Owner or other Person shall be a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by the Authorized Entity. This provision of non-liability is in addition to, and not in place of, the limitation on liability contained in Section 6.10.

Section 2.14 VARIANCE.

The PDRC and the Authorized Entity may grant reasonable variances or adjustments from any conditions and restrictions imposed by these Covenants, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood and shall not militate against the general intent and purpose hereof. However, any variance that may be granted under this Section is only a variance from the requirements of these Covenants, and is not a variance from the requirements of the Town or any other governmental or quasi-governmental agency or entity.

Section 2.15 WAIVERS; NO PRECEDENT.

The approval or consent of the entity with design approval rights under these Covenants, or any representative thereof, to any application for approval shall not be deemed to constitute a waiver

of any right to withhold or deny approval or consent by such Person, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

**ARTICLE 3.
RESTRICTIONS**

Section 3.1 TOWN REQUIREMENTS; ADDITIONAL RESTRICTIONS.

Notwithstanding anything in these Covenants to the contrary, the Property is subject to all requirements, covenants, restrictions, ordinances, regulations, and other matters of the Town, including those stated on the recorded plats of the Property, or any portion thereof, as well as on all other documents recorded in the office of the Clerk and Recorder of Larimer County, Colorado, as amended. In addition to, and not in substitution of Town requirements, the Master Developer declares that all of the Lots shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in these Covenants.

Section 3.2 RESIDENTIAL USE; PROFESSIONAL OR HOME OCCUPATION.

Lots shall be used for residential use only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes, except set forth below, unless all of the following conditions are satisfied:

3.2.1 The business conducted is clearly secondary to the residential use of the home and is conducted entirely within the home;

3.2.2 the existence or operation of the business is not detectable from outside of the home by sight, sound, smell or otherwise, or by the existence of signs indicating that a business is being conducted;

3.2.3 the business does not result in an increase in volume of traffic or parking;

3.2.4 the business conforms to all zoning requirements and is lawful in nature; and

3.2.5 the business conforms to the Guidelines as well as any rules and regulations that may be imposed by the entity with design approval rights under these Covenants.

Section 3.3 HOUSEHOLD PETS.

The Owners and residents of each Lot may keep household pets as permitted by the Berthoud Town Code, as may be amended from time to time. Such pets shall not be kept in such number or in such manner as to create a nuisance to any resident of the Lots. All household pets shall be controlled by their Owner and shall not be allowed off the Owner's Lot except when properly leashed and accompanied by the Owner or his or her representative, who shall be responsible for collecting and

properly disposing of any animal waste. The Authorized Entity can adopt rules and regulations governing the disposal of animal waste and noise.

Section 3.4 TEMPORARY STRUCTURES; UNSIGHTLY CONDITIONS.

Except as hereinafter provided, no structure of a temporary character, including a house trailer, tent, shack, storage shed, or outbuilding shall be placed or erected upon any Lot; provided, however, that during the actual construction, alteration, repair or remodeling of a structure or other Improvements, necessary temporary structures for storage of materials may be erected and maintained by the Person doing such work. The work of constructing, altering or remodeling any structure or other Improvements shall be prosecuted diligently from the commencement thereof until the completion thereof. Further, no unsightly conditions, structures, facilities, equipment or objects shall be so located on any Lot as to be visible from a street or from any other Lot.

Section 3.5 MISCELLANEOUS IMPROVEMENTS.

In addition to complying with Town requirements:

3.5.1 No advertising or signs of any character shall be erected, placed, permitted, or maintained on any Lot other than a name plate of the occupant and a street number or security sign of not more than three (3) square feet in the aggregate; except that temporary signage including "For Sale," "Open House," "For Rent signs are permissible, and other temporary signage such as those advertising garage sales, block parties, or similar community events, or political signs, are also permissible so long as they are in accordance with the Design Guidelines or have been submitted to the PDRC for review and approval prior to posting of such signs. Notwithstanding the foregoing, signs, advertising, or billboards used by the Master Developer (or by any Builder with the express written consent of the Master Developer, not to be unreasonably withheld) in connection with the sale or rental of the Lots, or otherwise in connection with development of or construction on the Lots, shall be permissible.

3.5.2 No wood piles or storage areas shall be so located on any Lot so as to be visible from a street or from the ground level of any other Lot.

3.5.3 Other than approved sustainability Improvements, including solar panels, no types of refrigerating, evaporative cooling, cooling or heating apparatus shall be permitted on a roof. Further, no such apparatus shall be permitted elsewhere on a Lot except when appropriately screened and approved by the entity with design approval rights under these Covenants. Without limiting the foregoing, conventional air conditioning units located on the ground of a Lot are permissible when approved in accordance with the preceding sentence.

3.5.4 No exterior radio antenna, television antenna, or other antenna, satellite dish, or audio or visual reception device of any type shall be placed, erected or maintained on any Lot, except inside a residence or otherwise concealed from view; provided, however, that any such devices may be erected or installed by the Master Developer or by any

Builder during its sales or construction upon the Lots; and provided further, however, that the requirements of this subsection shall not apply to those "antenna" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended. The governing board of the Metropolitan District shall be empowered to adopt rules and regulations governing the types of "antenna" (including certain satellite dishes) that are permissible hereunder and, to the extent permitted by the Telecommunications Act of 1996 and/or applicable regulations, as amended, establish reasonable, non-discriminatory restrictions relating to appearance, safety, location and maintenance.

3.5.5 Other than fences which may be constructed, installed or located by the Master Developer (or by a Builder as part of Improvements approved in accordance with Article 2 hereof) in its development of, or construction of, Improvements in the Property, no fences shall be permitted except with the prior written approval of the Authorized Entity, as well as compliance with all Town requirements and issuance of all Town-required permits. Any fences constructed on a Lot shall be maintained by the Owners of that Lot. The installation of fences by an Owner within an easement is at the Owner's risk and subject to removal at easement owner's request.

Section 3.6 VEHICULAR PARKING, STORAGE AND REPAIRS.

3.6.1 Except as may otherwise be provided in the Guidelines, vehicles may be parked only in the garages, in the driveways, if any, serving the Lots, or in appropriate spaces or areas which may be designated by the PDRC or other entity with design approval rights under these Covenants, except that, any vehicle may be otherwise parked as a temporary expedient for loading, delivery, or emergency.

3.6.2 Except as may otherwise be provided in the Guidelines, commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, recreational vehicles, golf carts and boat trailers, shall be parked only in enclosed garages or specific areas, if any, which may be designated by the entity with design approval rights under these Covenants. This restriction, however, shall not restrict trucks or commercial vehicles which are necessary for construction or for the maintenance of any portion of the Property or any Improvements located thereon, nor shall such restriction prohibit vehicles that may be otherwise parked as a temporary expedient for loading, delivery or emergency. Stored vehicles and vehicles which are inoperable or do not have current operating licenses shall not be permitted in the Property except within enclosed garages. For purposes of this Section, a vehicle shall be considered "stored" if, for example, it is up on blocks or covered with a tarpaulin and remains on blocks or so covered for seventy two (72) consecutive hours without the prior approval of the entity with design approval rights under these Covenants.

3.6.3 In the event the Metropolitan District determines that a vehicle is parked or stored in violation of subsections 3.6.1 or 3.6.2 hereof, then a written notice describing

includes each Owner, the Master Developer, each Builder, the Metropolitan District, the governing body of the Metropolitan District, and the PDRC.

Section 1.15 PROPERTY.

“Property” means the real estate described on the attached Exhibit A, as supplemented and amended, as the same may now or hereafter be improved, and as the Master Developer may now or hereafter subdivide or re-subdivide any portion thereof; provided, however, that the Property shall not include any property that has been withdrawn. Any supplemental real property shall be made subject to these Covenants through a Supplemental Declaration.

**ARTICLE 2.
DESIGN REVIEW**

Section 2.1 COMPOSITION OF PDRC.

The PDRC shall consist of two (2) or more people requiring unanimous agreement for any approvals until termination of the Master Development Period and thereafter, shall consist of three (3) or more people requiring majority agreement. Until termination of the Master Development Period, as provided in Section 1.11 of these Covenants, the Master Developer has the right to appoint the PDRC; subsequent to such date, the PDRC shall be appointed by the governing board of the Metropolitan District; provided, however, Master Developer may assign its rights and obligations regarding design review and the PDRC to the Metropolitan District prior to termination of the Master Development Period. The appointments of all then-current members of the PDRC who were appointed by the Master Developer shall automatically terminate at such time as the Master Developer’s power to appoint members of the PDRC expires. The appointment of a PDRC is at the discretion of the Master Developer during the Master Development Period and thereafter, at the discretion of the Metropolitan District. In the event that a PDRC is not appointed then design review shall be conducted solely through the Authorized Entity and all of the rights and obligations of the PDRC set forth in this Article shall instead apply to the Authorized Entity.

Section 2.2 DESIGN REVIEW REQUIREMENTS.

2.2.1 No Improvements shall be constructed, erected, placed, altered, planted, applied, installed or modified, upon any Lot, unless said Improvements are in full compliance with the provisions of these Covenants and the Guidelines (as hereinafter defined). Finally, all Improvements shall also be in compliance with all Town requirements, as more fully provided in Section 2.2.4 hereof, including the FDP and Town Design Standards. At least two (2) sets of complete plans and specifications of proposed Improvements (said plans and specifications to show exterior design, height, materials, color, and location of the Improvements, plotted horizontally and vertically, location and size of driveways, location, size and type of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required), shall be submitted to the PDRC or Authorized Entity, in the event there is no PDRC, for review and then approval in writing.

said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the vehicle is not removed within a reasonable time thereafter, as determined by the Metropolitan District, then the Metropolitan District may have the vehicle removed at the sole expense of the owner thereof.

3.6.4 No activity, including maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers or boats, may be performed or conducted on or within the Property unless it is done within completely enclosed structure(s) which screen the sight and sound of the activity from the street and from adjoining property. Any Owner or other Person undertaking such activities shall be solely responsible for, and assumes all risks of such activities, including adoption and utilization of any and all necessary safety measures, precautions and ventilation. MASTER DEVELOPER AND EACH BUILDER HEREBY DISCLAIM ANY AND ALL OBLIGATIONS REGARDING, RELATING TO OR ARISING OUT OF THE PERFORMANCE OF ANY MAINTENANCE, SERVICING, REBUILDING, REPAIR, DISMANTLING, OR REPAINTING OF ANY TYPE OF VEHICLE, BOAT, TRAILER, MACHINE OR DEVICE OF ANY KIND WITHIN ANY LOT BY ANY OWNER OR OTHER PERSON. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, motor driven cycle, or other vehicle on a Lot, together with those activities normally incident and necessary to such washing and polishing.

Section 3.7 NUISANCES.

No nuisance shall be permitted which is visible or audible within or otherwise affects any portion of the Property, nor any use, activity or practice which interferes with the peaceful enjoyment or possession and proper use of any Lot, or any portion thereof, by its residents. As used herein, the term "nuisance" shall include each violation of these Covenants and the Guidelines, if any, but shall not include any activities of the Master Developer or of a Builder. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done or placed on any Lot which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. Further, no unlawful use shall be permitted or made of the Property or any portion thereof. All laws, ordinances and regulations of all governmental bodies having jurisdiction over the Property, or any portion thereof, shall be observed.

Section 3.8 NO HAZARDOUS ACTIVITIES; NO HAZARDOUS MATERIALS OR CHEMICALS.

No activities shall be conducted on any Lot or within Improvements constructed on any Lot which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot and no open fires shall be lighted or permitted on any Lot except in a contained barbecue while attended and in use for cooking purposes or within an interior fireplace or within an outdoor fire pit powered by natural gas, propane, or something similar. Further, no hazardous materials or chemicals shall at any time be located, kept or stored in, on or at any Lot except such as may be contained in household products normally kept at

homes for use of the residents thereof and in such limited quantities so as to not constitute a hazard or danger to person or property.

Section 3.9 NO ANNOYING LIGHTS, SOUNDS OR ODORS.

No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be permitted from any Lot which is noxious or offensive to others.

Section 3.10 RESTRICTIONS ON TRASH AND MATERIALS/CENTRALIZED TRASH AND RECYCLING.

No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate, except composting that has been specifically approved by the PRDC, on any Lot nor shall such items be deposited on a street, unless placed in a suitable, tightly-covered container that is located solely for the purpose of garbage, trash or recycling pickup. Further, no trash or materials shall be permitted to accumulate in such a manner as to be visible from any Lot. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner. Trash and recycling service shall be centralized. The Master Developer or Metropolitan District shall select and contract with a trash and recycling company(ies) for the Property with the company(ies) to bill each Owner separately and report its billings to the Master Developer or Metropolitan District or to bill the Master Developer or Metropolitan District which shall then bill each Owner separately, in the discretion of the Master Developer or Metropolitan District. All Owners are required to use the trash and recycling company engaged by the Master Developer or Metropolitan District.

Section 3.11 LOTS TO BE MAINTAINED.

Each Lot shall at all times be kept in a clean and slightly condition by the Owner(s) thereof.

Section 3.12 LEASES.

The term "lease," as used herein, shall include any agreement for the leasing or rental of a Lot, or any portion thereof, and shall specifically include month-to-month rentals and subleases. Any Owner shall have the right to lease his residence, or any portion thereof including an approved Carriage Unit, and any Apartments as long as all leases provide that the terms of the lease and lessee's occupancy of the leased premises shall be subject in all respects to the provisions of these Covenants and the Guidelines; and that any failure by the lessee to comply with any of the aforesaid documents, in any respect, shall be a default under the lease. No lease shall be for less than thirty (30) days.

Section 3.13 LANDSCAPING.

Landscaping shall be installed by the Owner of each Lot (other than the Master Developer or a Builder), on the earlier of: (a) as required by all applicable FDPs; or (b) within one hundred eighty (180) days after acquisition of title to such Lot by the first Owner of such Lot (other than the Master Developer or a Builder). Landscaping plans must be submitted to the PDRC for review, and the

approval of such plans prior to the installation of landscaping, except where installed by the Master Developer or a Builder. Each Owner shall maintain all landscaping on such Owner's Lot in a neat and attractive condition, including periodic and horticulturally correct pruning, removal of weeds and debris, and replacement of landscaping. No property within the Community shall be permitted to fall into disrepair and all property within the Community, including any Improvements, shall be kept and maintained in a clean, attractive, and sightly condition. Maintenance, repair, and upkeep of each Lot shall be the responsibility of the Owner.

(a) Lots shall be landscaped in accordance with a plan submitted to and approved in writing by the PDRC. Landscaping standards shall meet minimum requirements set forth in the Town Design Guidelines and/ or Town Code. Landscaping plans will follow water standards as adopted by the Town and shall be consistent with the FDP and conform to the Guidelines. The Authorized Entity may adopt a water budget and enforce compliance with the same.

(b) The landscaped areas, having once been installed, shall be maintained by each Owner in a neat and adequate manner which shall include lawns mowed, hedges trimmed, irrigation when needed, and removal of weeds from planted areas.

(c) The approved plan for landscaping the Lot may not be altered without submitting the revised plan for written approval of the PDRC.

(d) Each Owner (or tenant, if applicable) shall keep its premises, buildings, Improvements and appurtenances in a safe, clean, neat, wholesome condition, and shall comply in all respects with all government, health, and police requirements. Each Owner (or tenant, if applicable) shall remove at its own expense any rubbish or trash of any character which may accumulate on its property and shall keep unlandscaped areas in a neat condition and mowed when necessary.

Section 3.14 GRADE AND DRAINAGE; IRRIGATION RECOMMENDATIONS; DRAINAGE EASEMENT; MAINTENANCE OF SURFACE DRAINAGE IMPROVEMENTS AND UNDERDRAINS.

3.14.1 Each Owner shall maintain the grading upon his Lot, and grading around the building foundation, at the slope and pitch fixed by the final grading thereof, so as to maintain the established drainage. Each Owner agrees that he will not in any way interfere with the established drainage pattern over his Lot. In the event that it is necessary or desirable to change the established drainage over any Lot, then the Owner thereof shall submit a plan to the PDRC for review, and shall obtain approval by the Authorized Entity, in accordance with Article 2 of these Covenants, and any such change shall also be made in accordance with all laws, regulations, requirements and resolutions of the Town and other applicable governmental entities. For purposes of this Section, "established drainage" is defined as drainage which exists at the time final grading of a Lot by the Master Developer, or by a Builder, is completed.

3.14.2 The rights and obligations granted in this Section 3.14 may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Lot; except that no such notice shall be required in connection with any exterior, non-intrusive maintenance; and except that in emergency situations entry upon a Lot may be made at any time, provided that the Owner(s) or occupant(s) of each affected Lot shall be notified of emergency entry as early as is reasonably possible.

**ARTICLE 4.
RESERVATION OF DEVELOPMENT RIGHTS AND EASEMENTS**

Section 4.1 DEVELOPMENT RIGHTS.

During the Master Development Period, Master Developer reserves the right to subject additional real property to the terms, condition and restrictions of these Covenants. Furthermore, the Master Developer reserves the right to subject all or any portion of such additional real property to such other covenants, conditions and restrictions as Master Developer deems appropriate by recording supplemental covenants subject to the approval rights set forth in Section 6.3.

Section 4.2 GRANT AND RESERVATION OF UTILITY EASEMENTS.

Master Developer hereby reserves for itself and the Metropolitan District, a blanket easement on, over, under and across the Property, including all Lots, for installation, use, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone, electricity, cable, and satellite.

Section 4.3 DRAINAGE EASEMENTS.

4.3.1 Master Developer hereby reserves to itself, and grants to the Metropolitan District, easements for drainage and drainage facilities, across the five (5) rear and five (5) side feet of each Lot; provided, however, that if a residence or outbuilding is located upon any of the areas described in this sentence, then such easement shall be reduced in width to the width of the distance from the nearest lot line to the exterior wall of the residence on such Lot that is nearest to such lot line. Except for residences as provided in the preceding sentence, no Improvements shall be placed or permitted to remain on any Lot nor shall any change in grading be permitted to exist which may change the direction of flow or obstruct or retard the flow of water or other moisture through channels or swales within such rear and side yard drainage easements. Master Developer reserves to itself and to the Metropolitan District the right to enter in and upon each such rear and side yard drainage easements, at any time, to construct, repair, replace or change drainage pipes, structures or drainage ways, or to perform such grading, drainage or corrective work as Master Developer or the Metropolitan District may determine; provided, however, that such right and authority in the Master Developer terminates at such time as the Master Development Period terminates, as provided in Section 1.6 of these Protective Covenants, at which time said reserved right and easement shall vest solely in the Metropolitan District.

4.3.2 The Metropolitan District shall provide maintenance, repair and replacement of all surface drainage Improvements and appurtenances, including detention ponds, channels, swales, and infiltration beds, now or hereafter installed in, on or under the Property, by or for the Master Developer, for or incidental to surface drainage. The Metropolitan District, including the agents, employees and contractors thereof, is hereby granted an easement on, under, over and across the Property and each Lot therein, in order to perform such maintenance, repair and replacement.

4.3.3 Retention ponds and/or Detention ponds may be constructed within property owned by the Metropolitan District to hold and release storm water. The Metropolitan District will be responsible for maintaining any such ponds.

4.3.4 The rights and obligations granted in this Section 4.3 may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Lot; except that no such notices shall be required in connection with any exterior, non-intrusive maintenance; and except that in emergency situations entry upon a Lot may be made at any time, provided that the Owner(s) or occupant(s) of each affected Lot shall be notified of emergency entry as soon as is reasonably possible.

ARTICLE 5. ALTERNATIVE DISPUTE RESOLUTION

Section 5.1 INTENT OF ARTICLE, APPLICABILITY OF ARTICLE, AND APPLICABILITY OF STATUTES OF LIMITATION.

5.1.1 Each Bound Party (as defined below) agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit any Claims (as defined below) to the procedures set forth in Section 5.5 hereof.

5.1.2 By acceptance of a deed for a Lot, each Owner agrees to abide by the terms of this Article.

5.1.3 Any applicable statute of limitation shall apply to the alternative dispute resolution procedures set forth in this Article.

Section 5.2 DEFINITIONS APPLICABLE TO THIS ARTICLE.

For purposes of this Article only, the following terms have the meanings set forth in this Section:

5.2.1 "JAG" means the Judicial Arbiter Group or any other Person agreed to by the Claimant and Respondent in writing for the purpose of performing the functions of the Judicial Arbiter Group under these Covenants.

5.2.2 "Bound Party" means each of the following: Master Developer, its officers, directors, employees and agents; any Builder or contractor, and their respective directors,

officers, members, partners, employees and agents, who construct or place residences or other Improvements on the Property; the PDRC; the Metropolitan District officers, directors, members and agents; all Persons subject to these Covenants; and any Person not otherwise subject to these Covenants who agrees to submit to this Article. Notwithstanding the foregoing, "Bound Party" shall not include any of the parties identified in this Section 5.2.2, if such parties have jointly entered into a separate written agreement providing for dispute resolution applicable to the Claim; in such circumstance, the dispute resolution mechanism set forth in such separate written agreement between such parties shall apply with respect to such Claim unless the parties mutually agree to submit such Claim to the provisions of this Article.

5.2.3 "Claimant" means any Bound Party having a Claim.

5.2.4 "Claim" means, except as exempted by the terms of this Article, any claim, grievance or dispute between one Bound Party and another, regardless of how the same may have arisen or on what it might be based, including those arising out of or related to (i) the interpretation, application or enforcement of any of the Governing Documents or the rights, obligations and duties of any Bound Party under any of the Governing Documents; (ii) the design or construction of Improvements; (iii) any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party.

5.2.5 "Governing Documents" means these Covenants and the Guidelines, if any.

5.2.6 "Notice" means the written notification given by a Claimant to a Respondent and which shall comply with the requirements of Section 5.5.1 hereof.

5.2.7 "Party" means the Claimant and the Respondent individually; "Parties" means the Claimant and the Respondent collectively.

5.2.8 "Respondent" means any Bound Party against whom a Claimant asserts a Claim.

5.2.9 "Termination of Mediation" means a period of time expiring thirty (30) days after submission of the matter to mediation (or within such other time as determined by the mediator or agreed to by the Parties) and upon the expiration of which the Parties have not settled the Claim.

5.2.10 "Termination of Negotiations" means a period of time expiring thirty (30) days after the date of the Notice (or such other period of time as may be agreed upon by the Parties) and upon the expiration of which the Parties have not resolved a Claim.

Section 5.3 COMMENCEMENT OR PURSUIT OF CLAIM AGAINST BOUND PARTY.

5.3.1 A Bound Party may not commence or pursue a Claim against any other Bound Party except in compliance with this Article.

5.3.2 Prior to any Bound Party commencing any proceeding to which another Bound Party is a party, the Respondent shall have the right to be heard by the Claimant, and to access, inspect, correct the condition of, or redesign any portion of any Improvement as to which a defect is alleged or otherwise correct the alleged dispute.

Section 5.4 CLAIMS.

Unless specifically exempted below, all Claims between any of the Bound Parties shall be subject to the provisions of Section 5.5 hereof. Notwithstanding the foregoing, unless all Parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 5.5 hereof:

5.4.1 any suit by the governing board of the Metropolitan District or Master Developer to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as they may deem necessary in order to enforce any of the provisions of these Covenants;

5.4.2 any suit between or among Owners, which does not include Master Developer, Builder, or the governing board of the Metropolitan District as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents; and

5.4.3 any suit in which any indispensable party is not a Bound Party.

Section 5.5 MANDATORY PROCEDURES.

5.5.1 Notice. Prior to proceeding with any claim against a Respondent, each Claimant shall give a Notice to each Respondent, which Notice shall state plainly and concisely:

5.5.1.1 the nature of the Claim, including all Persons involved and Respondent's role in the Claim;

5.5.1.2 the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

5.5.1.3 the proposed remedy; and

5.5.1.4 the fact that Claimant will give the Respondent an opportunity to inspect all Property and Improvements potentially involved with the Claim, and that Claimant will meet with Respondent not sooner than thirty (30) days after such inspection to discuss in good faith ways to resolve the Claim.

5.5.2 Negotiation and Mediation.

5.5.2.1 The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested

in writing, accompanied by a copy of the Notice, the governing board of the Metropolitan District may appoint a representative to assist the Parties in negotiation.

5.5.2.2 Upon a Termination of Negotiations, Claimant shall have thirty (30) days to submit the Claim to mediation under the auspices of JAG in accordance with the rules of JAG in effect on the date of the notice that is provided for in Section 5.5.1 of these Covenants.

5.5.2.3 If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

5.5.2.4 Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If a Termination of Mediation occurs, the mediator shall issue a notice of Termination of Mediation. The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

5.5.2.5 Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator.

5.5.2.6 If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 5.5.2 and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 5.5 hereof. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including attorneys' fees and court costs.

5.5.3 Binding Arbitration.

5.5.3.1 Upon Termination of Mediation, if Claimant desires to pursue the Claim, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of JAG in accordance with the rules of JAG in effect on the date of the Notice that is provided for in Section 5.5.1 of these Covenants. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. Unless otherwise mutually agreed to by the Parties, there shall be one arbitrator who, to the extent feasible, shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

5.5.3.2 Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the arbitrator shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator.

5.5.3.3 The award of the arbitrator shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration without the prior written consent of all Parties.

ARTICLE 6. GENERAL PROVISIONS

Section 6.1 ENFORCEMENT.

6.1.1 This subsection is subject to Article 5 of these Covenants (Alternative Dispute Resolution). Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in these Covenants, as amended, may be by any proceeding at law or in equity against any Person(s) violating or attempting to violate any such provision, and possible remedies include all of those available at law or in equity. The Master Developer, Metropolitan District, and any aggrieved Owner, shall have the right, but not the duty, to institute, maintain and prosecute any such proceedings. No remedy shall be exclusive of other remedies that may be available. Except as otherwise provided in Article 5 hereof, in any action instituted or maintained under these Covenants or any other such documents, the prevailing party shall be entitled to recover its costs and attorney fees incurred in asserting or defending the claim, as well as any and all other sums. Failure by the Master Developer, the Metropolitan District, or any Owner, to enforce any covenant, restriction or other provision herein contained, shall in no event give rise to any liability, nor shall such non-enforcement be deemed a waiver of the right to thereafter enforce any covenant, restriction or other provision of these Covenants.

6.1.2 The foregoing shall include the right of the Metropolitan District, except with respect to the Master Developer or any Builder, to send demand letters and notices, to levy and collect fines, to negotiate, settle and to take any other actions, with respect to any violation(s) or alleged violation(s) of any of these Covenants, the Guidelines, and/or any rules and regulations, or other regulations or requirements, of the Metropolitan District.

Section 6.2 SEVERABILITY.

All provisions of these Covenants are severable. Invalidation of any of the provisions, including any provision(s) of Article 5 of these Covenants (Alternative Dispute Resolution), by

judgment, court order or otherwise, shall in no way affect or limit any other provisions, which shall remain in full force and effect.

Section 6.3 DURATION, REVOCATION AND AMENDMENT.

6.3.1 Each and every provision of these Covenants shall run with and bind the land, perpetually from the date of recording of these Covenants. Except as otherwise provided in these Covenants, these Covenants may be amended by a vote or agreement of the Owners of at least sixty-seven percent (67%) of the Lots; provided that, during the Master Development Period, no amendment of these Covenants shall be effective without the prior, written consent of the Master Developer and Master Developer's lenders, Citywide Banks and RCS-PrairieStar Triloan, LLC. The requirement of Master Developer's lender consent to amendments applies for so long as the "Deeds of Trust" subject to the "Lender Consent and Subordination" have not been fully released.

6.3.2 Notwithstanding anything to the contrary contained in these Covenants, these Covenants or any map or plat, may be amended in whole or in part, at any time, by the Master Developer without the consent or approval of any other Owner or any other Person, in order to correct clerical, typographical, or technical errors, or to clarify these Covenants or any provision hereof. The Master Developer's right of amendment set forth in the preceding sentence shall terminate upon termination of the Master Development Period.

6.3.3 Notwithstanding anything to the contrary contained in these Covenants, these Covenants, or any map or plat, may be amended in whole or in part, at any time, by the Master Developer without the consent or approval of any other Owner or any other Person, in order to comply with the requirements, standards, or guidelines of the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, including the Federal Housing Administration, the Veterans Administration, or any other governmental or quasi-governmental agency, or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities. The Master Developer's right of amendment set forth in the preceding sentence shall terminate upon termination of the Master Development Period.

Section 6.4 MINOR VIOLATIONS OF SETBACK RESTRICTIONS.

If upon the erection of any structure, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of each Lot immediately adjoining the structure which is in violation of the setback, and such waiver shall be binding upon all other Owners. However, nothing contained in this Section shall prevent the prosecution of a suit for any other violation of these Covenants or the Guidelines, if any. A "minor violation," for the purpose of this Section, is a violation of not more than one (1) foot beyond the required setback lines or Lot lines. This provision shall apply only to the original structures and shall not be applicable to any alterations or repairs to, or replacements of, any of such

structures. In addition to the foregoing, setback requirements are set by the Town, such that any violation of the same is subject to review by, and approval of, the Town.

Section 6.5 SUBDIVISION OR REPLATTING OF LOTS.

The Master Developer hereby reserves the right to subdivide or replat any Lot(s) owned by the Master Developer, provided that each subdivision or replatting is subject to review and approval by the Town. Each such subdivision or replatting may change the number of Lots in the Property. The foregoing reservation includes the right to move any lot line(s) on Lot(s) for the purpose of accommodating Improvements which are, or may be constructed. The rights provided for in this Section shall terminate upon termination of the Master Development period.

Section 6.6 WITHDRAWAL.

During the Master Development Period, the Master Developer reserves the right to withdraw the Property, or any portion thereof, including one or more Lots, from these Covenants, so long as the Master Developer owns the portion of the Property to be withdrawn. Each withdrawal, if any, may be affected by the Master Developer recording a withdrawal document in the office of the Clerk and Recorder of the county in which such withdrawn property is located. A withdrawal as contained in this paragraph constitutes a divestiture, withdrawal, and de-annexation of the withdrawn property from these Covenants so that after the date of recording a withdrawal document, the property so withdrawn shall not be part of the Property. Notice of any such withdrawal shall be given to the Town.

Section 6.7 ANNEXATION.

The Master Developer may, at any time, annex to the Property additional property, including any property which may previously have been withdrawn from the Property. Each such annexation, if any, shall be accomplished by recording of an annexation document that expressly and unequivocally provides that the property described therein shall be subject to these Covenants and all terms and provisions hereof. However, any such annexation may include provisions which, as to the property described therein, adds to or changes the rights, responsibilities and other requirements of these Covenants. Any such additional or changed provisions may be amended with the consent of the Owners of 67% of the Lots to which those provisions apply. Notice of any such annexation shall be given to the Town.

Section 6.8 MASTER DEVELOPER'S AND BUILDER'S USE.

Notwithstanding anything to the contrary contained in these Covenants, it shall be expressly permissible and proper for Master Developer, its employees, agents, and contractors, as well as any Builder (but only with the express written consent of the Master Developer, such consent not to be unreasonably withheld), to perform such reasonable activities, and to maintain upon portions of the Lots as Master Developer or Builder deems reasonably necessary or incidental to the construction and sale of Lots and development and construction of Improvements. The foregoing includes locating, maintaining and relocating management offices, signs, model Lots and sales offices, in such numbers, of such sizes, and at such locations as it determines. Further, nothing contained in these

Covenants shall limit the rights of Master Developer or any Builder (but only with the express written consent of the Master Developer, such consent not to be unreasonably withheld) or require the Master Developer or any Builder (but only with the express written consent of the Master Developer, such consent not to be unreasonably withheld) to obtain approvals:

6.8.1 to excavate, cut, fill or grade any property (with the consent of the Owner thereof) or to construct, alter, demolish or replace any Improvements;

6.8.2 to use any Improvements on any property (with the consent of the Owner thereof) as a construction, management, model home or sales or leasing office in connection with the development, construction or sale of any property; and/or

6.8.3 to seek or obtain any approvals under these Covenants for any such activity.

Section 6.9 NOTICES.

Any notice permitted or required in these Covenants shall be deemed to have been given and received upon the earlier to occur of (a) personal delivery upon the Person to whom such notice is to be given; or (b) two (2) days after deposit in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed to the Owner at the address for such Owner's Lot.

Section 6.10 LIMITATION ON LIABILITY.

The Master Developer, any Builder, the Metropolitan District, the PDRC, and their respective directors, officers, shareholders, members, partners, agents or employees, shall not be liable to any Person for any action or for any failure to act arising out of these Covenants and the Guidelines, if any, unless the action or failure to act was not in good faith and was done or withheld with malice. Further, the Metropolitan District does not waive and no provision of these Covenants shall be deemed a waiver of, the immunities and limitations to which the Metropolitan District is entitled as a matter of law, including the Colorado Governmental Immunity Act, §24-10-101, et seq. C.R.S., as amended. The release and waiver set forth in Section 6.14 (Waiver) shall apply to this Section. This limitation is addition to, and not in place of, the non-liability for design review in Article 2.

Section 6.11 NO REPRESENTATIONS, GUARANTIES OR WARRANTIES.

No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by Master Developer, any Builder, the Metropolitan District, the PDRC, or by any of their officers, directors, shareholders, members, partners, agents or employees, in connection with any portion of the Property, or any Improvement, its physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as specifically set forth in writing. The release and waiver set forth in Section 6.14 (Waiver) shall apply to this Section.

Section 6.12 DISCLAIMER REGARDING SAFETY.

MASTER DEVELOPER, THE BUILDERS, THE METROPOLITAN DISTRICT, THE PDRC, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE PROPERTY. BY ACCEPTING A DEED TO A LOT WITHIN THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT MASTER DEVELOPER, THE BUILDERS THE METROPOLITAN DISTRICT, THE PDRC, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN OR IN THE GUIDELINES, IF ANY, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE PROPERTY. THE RELEASE AND WAIVER SET FORTH IN SECTION 6.14 (WAIVER) SHALL APPLY TO THIS SECTION.

Section 6.13 DEVELOPMENT WITHIN AND SURROUNDING THE PROPERTY.

Each Owner acknowledges that development within and surrounding the Property may continue for an indefinite period, and that plans for the density, type and location of Improvements, developments or land uses may change over time. Such development may entail changes to or alterations in the access to the Property, views of or from the Property or the Lots, surrounding land uses, open space or facilities, traffic volumes or patterns, privacy or other aspects or amenities. Development also may entail noise, odors, unsightliness, dust and other inconveniences or disruptions. By accepting a deed to a Lot, each Owner accepts title to such Lot subject to the foregoing, and waives and releases any claim against the Master Developer, any Builders, the Metropolitan District, the PDRC, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, arising out of or associated with any of the foregoing. The release and waiver set forth in Section 6.14 (Waiver) shall apply to this Section.

Section 6.14 WAIVER.

By acceptance of a deed to a Lot, each Owner hereby releases, waives, and discharges the Master Developer, each Builder, the Metropolitan District, the PDRC, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, from all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from any hazards, disclosures or risks set forth in these Covenants, including those contained in Sections 6.10, 6.11, 6.12 and 6.13.

Section 6.15 HEADINGS.

The Article, Section and subsection headings in these Covenants are inserted for convenience of reference only, do not constitute a part of these Covenants, and in no way define, describe or limit the scope or intent of these Covenants or any of the provisions hereof.

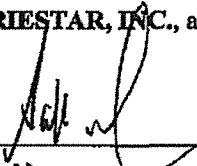
Section 6.16 RUNS WITH THE LAND; BINDING UPON SUCCESSORS.

The benefits, burdens, and all other provisions contained in these Covenants shall be covenants running with and binding upon the Property and all Improvements which are now or hereafter become a part of the Property. The benefits, burdens, and all other provisions contained in these Covenants shall be binding upon, and inure to the benefit of the Master Developer, the Builders and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned, being the Master Developer herein and the Owner of the Property, has hereunto set its hand this 14th day of November, 2014.

MASTER DEVELOPER:

PRAIRIESTAR, INC., a Colorado corporation

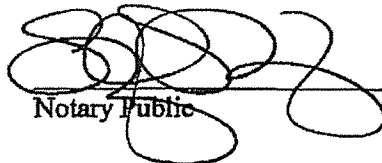
By: 
Its: PREIDENT

STATE OF COLORADO)
) ss.
COUNTY OF Boulder)

The foregoing instrument was acknowledged before me this 14th day of November, 2014, by Scott Sarbaugh, as President of Prairie Star, Inc., a Colorado Corporation

Witness my hand and official seal.

{SEAL}


Notary Public

My Commission Expires 10/23/17

SUZAN R. DEBERG
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 18974019409
MY COMMISSION EXPIRES 10/23/2017

Lender Consent and Subordination
(CITYWIDE BANKS)

CITYWIDE BANKS, LLC, a Colorado limited liability company, being the beneficiary by virtue of assignment of that certain Deed of Trust dated May 4, 2006, executed and delivered by Cooperland, LLC for the benefit of the Mile High Banks, formerly known as Horizon Banks, N.A., and recorded on May 10, 2006, in the records of the Clerk and Recorder for the County of Larimer, Colorado (the "Records"), as Reception No. 2006-0035239, as modified by that certain Modification of Deed of Trust dated January 9, 2007, and recorded on January 16, 2007, in the Records, as Reception No. 20070004236, as further modified by that certain Modification of Deed of Trust dated September 28, 2009 and recorded on October 2, 2009, in the Records as Reception Number 20090067520 and that certain Deed of Trust dated August 5, 2013, executed and delivered by PrairieStar, Inc. for the benefit of RCS-PrairieStar, and recorded on September 18, 2013 in the Records as Reception No. 20130071308 (collectively, the "Deeds of Trust"), hereby consents to the making and recording of the foregoing Declaration of Protective Covenants of PrairieStar, Filing No. 1 (the "Covenants") and agrees and declares that the Deeds of Trust and all other agreements, deeds of trust, encumbrances, options and instruments that benefit CITYWIDE BANKS and that concern any portion of the property subject to the Covenants are and shall be subordinate to the Covenants, and agrees that no foreclosure or other enforcement action under the Deeds of Trust or any other such agreements, deeds of trust, encumbrances, options or instruments shall have the effect of terminating or otherwise impairing the effect of the Covenants.

CITYWIDE BANKS, a Colorado banking corporation

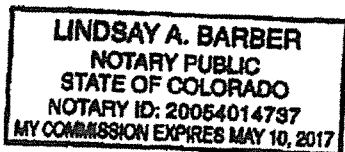
By: [Signature]
Name: Thomas W. McDermott
Title: EVP

STATE OF Colorado)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 14th day of November 2014, by Thomas W. McDermott, as EVP of CITYWIDE BANKS, a Colorado banking corporation, on behalf of such company.

Witness my hand and official seal.

My commission expires: 5/10/17




[Signature]
Notary Public

Lender Consent and Subordination
(COOPERLAND)

COOPERLAND, LLC, a Colorado limited liability company, being the beneficiary of that certain Deed of Trust dated May 4, 2006, executed and delivered by the PrairieStar, Inc., a Colorado corporation, and recorded on September 18, 2013, in the records of the Clerk and Recorder for the County of Larimer, Colorado, as reception number 20130071309 (the "Deed of Trust"), hereby consents to the making and recording of the foregoing Declaration of Protective Covenants of PrairieStar, Filing No. 1 (the "Covenants") and agrees and declares that the Deed of Trust and all other agreements, deeds of trust, encumbrances, options and instruments that benefit COOPERLAND and that concern any portion of the property subject to the Covenants are and shall be subordinate to the Covenants, and agrees that no foreclosure or other enforcement action under the Deeds of Trust or any other such agreements, deeds of trust, encumbrances, options or instruments shall have the effect of terminating or otherwise impairing the effect of the Covenants.

COOPERLAND, LLC,
a Colorado limited liability company

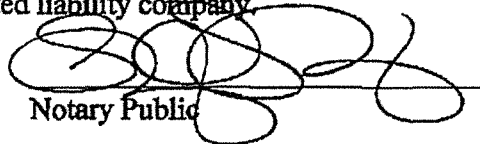
By: 
Richard L. McCabe, Manager

By: 
Scott Sarbaugh, Manager

STATE OF COLORADO)
) ss
COUNTY OF Boulder)

The foregoing instrument was acknowledged before me, this 14th day of ~~February~~ November, 2014, a Notary Public in and for the County of Boulder, State of Colorado, by Richard L. McCabe, as Manager of Cooperland, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.


Notary Public

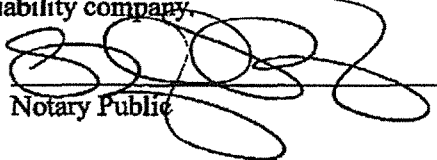
My commission expires: 10/23/17

SUZAN R. DEBERG
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19974018409
MY COMMISSION EXPIRES 10/23/2017

STATE OF COLORADO)
)
COUNTY OF Boulder) SS

The foregoing instrument was acknowledged before me, this 14th November day of ~~February~~, 2014, a Notary Public in and for the County of Boulder, State of Colorado, by Scott Sarbaugh, as Manager of Cooperland, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.


Notary Public

My commission expires: 10/23/17

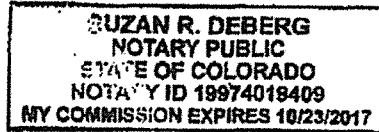


EXHIBIT A
(THE PROPERTY)

**Town of Berthoud
PrairieStar Subdivision
Development Agreement, Addendum "A"**

LEGAL DESCRIPTION

PRAIRIESTAR SUBDIVISION PROPERTY DESCRIPTION

Filing No. 1

A tract of land located in the S1/2 of Section 2, T4N, R69W of the 6th P.M., County of Larimer, State of Colorado, described as follows:

COMMENCING at the Southwest Corner of said Section 2, from which the W1/4 Corner of said Section 2 bears N00°37'55"W, 2663.62 feet (Basis of Bearing), thence N00°37'55"W, 1775.83 feet along the West Line of said S1/2 of Section 2 to the Northerly Right-of-Way Line of Parcel 232A conveyed to Department of Transportation, State of Colorado, as described in Rule and Order recorded May 28, 2003, at Reception No. 20030065028 of the records of Larimer County, Colorado and the POINT OF BEGINNING:

Thence continuing N00°37'55"W, 887.78 feet along said West Line of the S1/2 of Section 2 to said W1/4 Corner of Section 2;

Thence N89°19'30"E, 1480.64 feet along the North Line of said S1/2 of Section 2;

Thence S00°15'55"W, 209.40 feet to a non-tangent point of curve to the right;

Thence 36.16 feet along the arc of said curve, concave to the Southwest, said arc having a radius of 58.00 feet, a central angle of 35°42'38", and being subtended by a chord which bears S43°07'24"E, 35.57 feet to a non-tangent point;

Thence S89°44'05"E, 91.16 feet;

Thence S00°15'55"W, 840.01 feet;

Thence N89°44'05"W, 1485.04 feet to the Easterly Right-of-Way Line of said Parcel 232a conveyed to the Department of Transportation, State of Colorado, as described in said Rule and Order recorded May 28, 2003, at Reception No. 20030065028;

Thence Northerly along said Easterly Right-of-Way Line of Parcel 232a the following three (3) courses:

- 1) N00°14'09"E, 6.17 feet;

2) N13°58'20"W, 163.02 feet;

3) S89°22'05"W, 57.01 feet to the POINT OF BEGINNING;

Area = 1,650,160 square feet or 37.882 acres, more or less.

Filing No. 2

A tract of land located in the S1/2 of Section 2, T4N, R69W of the 6th P.M., County of Larimer, State of Colorado, described as follows:

COMMENCING at the Southwest Corner of said Section 2, from which the W1/4 Corner of said Section 2 bears N00°37'55"W, 2663.62 feet (Basis of Bearing), thence N89°36'41"E, 60.00 feet along the South Line of said S1/2 of said Section 2 to the Easterly Line of Parcel 232 conveyed to the Department of Transportation, State of Colorado, as described in Rule and Order recorded May 28, 2003, as Reception No. 20030065028 of the records of Larimer County, Colorado and the POINT OF BEGINNING;

Thence Northerly and Easterly along said Easterly and along the Northerly Line of said Parcel 232 conveyed to the Department of Transportation, State of Colorado, as described at said Reception No. 20030065028, the following five (5) courses:

1) N01°21'00"E, 343.17 feet;

2) N45°48'28"E, 72.05 feet;

3) S89°44'05"E, 2184.56 feet;

4) S80°34'52"E, 518.60 feet;

5) S89°44'05"E, 809.48 feet to the Westerly Right-of-Way Line of the Burlington Northern & Santa Fe Railroad;

Thence S03°06'38"E, 270.69 feet along said Westerly Right-of-Way Line of the Burlington Northern & Santa Fe Railroad to said South Line of the S1/2 of Section 2;

Thence S89°36'41"W, 3580.15 feet along said South Line to the POINT OF BEGINNING;

Area = 1,241,733 square feet or 28.506 acres, more or less.