

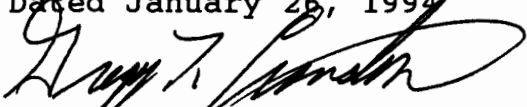
**First Amendment and Correction of
NORTH CREST SUBDIVISION
Declaration of Restrictive Covenants**

Dated September 16, 1993 and recorded at Book 2041 Page 958 in the records of Mesa County.

RE: Item # 18 - Irrigation:, Forth paragraph, line six shall be corrected to read as follows:

"Therefore, in the event of irrigation water shortage or disputes, the homeowners shall use the following (#2 below) as the general schedule for irrigation for the benefit of all homeowners unless modified by a majority vote of the Homeowner Association:"

Dated January 26, 1994


Gregg L. Cranston
Attorney in Fact for
North Crest Development LLC

ATTEST:


Notary Public

My Commission Expires on 5-21-94



DECLARATION OF RESTRICTIVE COVENANTS

North Crest Development, a Colorado Limited Liability Company fee owner of the following described real property located in the County of Mesa, State of Colorado, said property now duly platted as :

NORTH CREST SUBDIVISION

A planned community, a copy of the plat is attached hereto and incorporated by reference as exhibit "A" and hereby makes the following declaration of restrictive covenants running with said land, as provided by law, which shall be binding upon all owners of said land, this declaration being for the purpose of insuring that the property will be used for attractive residential purposes only, thereby to secure to each site owner the full benefit and enjoyment of his home while securing the same advantages to other site owners:

1. TEMPORARY STRUCTURES: No trailer, unimproved basement, tent, shack, garage, barn or other outbuildings erected on any land covered by these covenants shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

2. PREFABRICATED STRUCTURES: All dwellings, garages and outbuildings constructed upon the land covered by these covenants shall be of top quality design, construction, workmanship and materials; in particular, no structure will be of the types known as "pre-built", "pre-cut", "modular" "manufactured" or "pre-fabricated", regardless of its quality as determined by other standards.

3. ARCHITECTURAL CONTROL COMMITTEE: The Architectural Control Committee (ACC) shall be North Crest Development Limited Liability Company or its designated agent until all lots are sold. The committee shall approve or disapprove prospective plans in writing on the pages of the prospective plans. Upon transfer of title of all 20 lots from the developer (or its assigns), to individuals or builders, or the passage of 7 years whichever should first occur, North Crest Development Limited Liability Company shall appoint 3 owners as the ACC members. Members shall serve 3 years terms and shall be replaced by election at the Home Owners Association annual meeting.

The ACC may disapprove any architectural and landscaping plans and specifications submitted to it which are insufficient for it to exercise the judgment required of it by these covenants.

3.1 On the exterior, the use of earthen tones are generally recommended with the discouragement and prohibition of bright colors. The ACC shall exercise its best judgment to see that all structures and alterations and landscaping conform and harmonize with the natural surroundings and with the existing structures as to external design, materials, color, siting, height, topography, foliage, grading and finished ground elevation.

3.2 Subsequent to the initial landscaping of any lot and exterior finishing and painting of any structure, the same shall not be changed or altered in any fashion which would constitute a major departure from the originally approved plan without the written approval of the ACC being first obtained.

3.3 The ACC shall not be liable in damages to any person or association submitting any architectural and landscaping plans and specifications or to any owner by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove any such architectural and landscaping plans and specifications. Any owner submitting, or causing to be submitted, any plans and specifications to the ACC agrees and covenants that he will not bring an action or suit for damages or injunctive relief against the ACC collectively, its members individually, North Crest Development Limited Liability Company, or its advisors, employees or agents.

3.4 The ACC shall keep and safeguard for at least five years one set of all architectural and landscaping plans and specifications including samples so submitted and of all actions of approval or disapproval and all other actions taken by it under provisions of this instrument.

3.5 One level homes must be a minimum 1,600 square feet, multi level homes must be at least 2,000 square feet exclusive of porches and garages. Homes must have a minimum double entry (2 car) garage. No more than (4) four single or (2) two double overhead doors are permitted inclusive of small type doors used for RV's. (4 vehicle entries)

4. HOME USE: All homes in this filing shall be owner-occupied. Exceptions to this are subject to HOA approval.

5. CONSTRUCTION MATERIALS: The exterior of homes shall be constructed of brick, stucco, slumpblock, stone, wood, vinyl and metal sidings may be used upon approval by ACC. Unfinished blocks shall not be used for exposed walls. Decorative block may be used on a limited basis. The amount of exposed concrete foundation shall be kept to a minimum. Roofing materials shall be of cedar shake, tile, synthetic tile, or asphalt roofing, as may be approved the ACC. The minimum roof over hang shall be eighteen (18") inches. Metal soffit and fascia are permitted.

6. NEW CONSTRUCTION: All construction (except remodels) shall be new construction, no previously erected building, structure, or improvement shall be moved and set upon any lot from any other location. Construction shall commence no later than thirtysix (36) months from date of lot purchase and each such structure shall be completed including landscaping within twelve (12) months of commencement of construction. Failure to comply with either provision results in the amount of dues being assessed to the property to double until the provision is complied with. During said periods it shall be the express responsibility of the lot owner to maintain the lot in a clean and orderly condition. See Grounds Maintenance below.

7. ANTENNA AND SIMILAR DEVICES: No antenna, satellite dish, or similar devices for radio, television or any other electronic transmission or reception shall be placed upon or around the exterior of any property within said subdivision.

8. **GROUNDS MAINTENANCE:** The land covered by these covenants, and the improvements thereon, shall be maintained by the owners in good condition and neat appearance, and no portion thereof shall be used or maintained as a dumping ground for trash, junk or rubbish. Trash, garbage and other waste shall not be kept on any lot except in containers designed for storage and disposal of the same, which containers shall be kept in a clean and sanitary condition at all times. In the event any owner shall fail to maintain their lot or lots, The Home Owners Association shall have the power to hire clean-up as necessary and to bill the lot owner, and file mechanics liens for said work in the event of nonpayment.

9. **NUISANCES:** Notwithstanding any uses permitted by applicable zoning ordinances to the contrary, no trade, industry, shop or professions requiring "STOCK IN TRADE", nor any noxious or offensive activity which may become an annoyance or nuisance to the neighborhood shall be carried on upon any land covered by these covenants. Home offices are permitted as are businesses considered "traveling salespersons" ie: Insurance, mail order and franchises such as Avon etc. as long as clientele do not make frequent visits, and no signs of any kind are displayed on the premises and the street address is not used in public advertisements.

10. **SIGNS:** Signs by private lot owners will be no larger than four (4) square feet and are not allowed on a permanent basis or to advertise a business. No political signs are permitted. Signs on Common Areas are governed by the ACC. Builders may also exhibit signs during construction promoting the lot, Realtors or the Financial Institution handling the project or resale of homes in the project. The size must not exceed thirtytwo (32) square feet.

11. **ANIMALS:** No animals shall be allowed other than domestic pets, but not more than any three (3) pets in cumulative total shall be kept on the premises and only then if they are kept solely as household pets for private use and not for commercial purposes. No such animal may be kept which is a nuisance or annoyance to any other owners property. Household pets shall be contained on their owners property or on a leash and not permitted to run loose. At the request of any owner, the Board of Directors of the HOA shall determine whether a particular animal shall be considered a domestic or yard pet, a nuisance, or whether the number of any such animals on any lot is in compliance. Habitually barking dogs and vicious breeds are prohibited at the sole discretion and determination of the HOA.

12. **DRILLING:** No oil drilling, oil development, refining, quarrying or mining operations of any kind shall be permitted nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

13. **FENCES, LANDSCAPING:** No trees, shrubs or hedge plants shall be planted until a plot plan setting forth in detail landscaping design and location and varieties of plants, has been approved by the ACC. No fences shall exceed six (6) feet in height, and

all fences are to be architecturally compatible and uniform with the dwellings. All fence plans must be approved by the ACC with plans sufficient to show the location, height, materials, and color to be used in the erection of the fence.

14. EASEMENTS: Easements for the installation and maintenance of utilities, drainage and detention facilities, and landscaping are reserved as shown on the recorded plat of the Subdivision. Within these easements no structures, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow or obstruct the flow of water in and through drainage channels and easements. The easements located on each lot and all improvements in them shall be maintained continuously by the owner of the lot, except for those improvements for which the Homeowners Association, a public authority, or one or more utility company is responsible. Lot 13 contains an easement for drainage detention for which the maintenance of the structure, pipe, and grading shall be the responsibility of the HOA. The use and maintenance of the surface shall be that of the owner of Lot #13. Enforcement of the obligation to maintain such easement is hereby reserved to the Homeowners Association, its successors and assigns and also extended to other lot owners adjoining property owners outside of the Subdivision for whose benefit the landscaping easement has been created.

15. Each owner of a lot agrees for himself and his successors in interest that he will permit reasonable access from time to time during reasonable hours by the adjacent owner and the agents and/or employees of the adjacent owner when such access is necessary (essential) for the inspection, maintenance, repair, or replacement of the adjacent owner's residence, or any part thereof, provided, however, that, except in cases of emergency, the adjacent owner shall furnish the affected owner twenty-four (24) hours notice before exercising the rights granted in this paragraph. Any such entry made by an adjacent owner pursuant to this paragraph shall be made with as little inconvenience as practicable and any damage caused thereby shall be promptly repaired by the adjacent homeowner.

16. KEEPING OF MOTOR VEHICLES: No motor vehicle or recreation vehicle designed for travel over public roads shall be kept upon any real property within said Subdivision unless such vehicle shall bear evidence of a license for operation upon public roads of the State of Colorado for the then current year and is kept inside a garage or within a visually screened area as may be approved by the ACC.

17. RECREATIONAL VEHICLES: No vehicles, boats, campers, trailers, snowmobiles, motorcycles or other such recreational vehicles, devices or equipment, or vehicles used for business (other than normal passenger type vehicles) shall be stored or permitted to remain on premises unless garaged or placed in an approved outbuilding or screened storage facility approved by the ACC. Recreational equipment may be parked for up to 48 hours on developed lots. No recreational vehicles may be operated in a regular manner on owners lots or adjacent properties unless for such duties as plowing, mowing, digging or hauling. Joy riding of motorcycles, ATV's, etc. is strictly prohibited.

18. IRRIGATION: Irrigation water is limited by allocation to the subdivision and it's Home Owners Association. The irrigation system within the subdivision shall be maintained by the Home Owners Association. The system is a gravity flow system with the water being provided by Grand Valley Water Users to the HOA for distribution, maintenance, delivery and drainage within the subdivision at the HOA's sole responsibility and expense. Grand Valley Water Users delivers at only one location to the HOA (not to individuals) and their responsibility stops at the headgate on their lateral located at the Southeast corner of the Subdivision.

Use of the irrigation system requires the general cooperation of homeowners as there may be periods when GVWU cannot deliver water continuously due to climatic conditions or maintenance of canals.

The HOA shall be responsible for flushing the irrigation system periodically during the irrigation season in order to prevent "silting-up" of the system, which can render the system inoperable to some or all of the home owners. Generally this flushing may take several hours at which time the system will be unavailable for use. This will normally occur on Monday unless otherwise determined by the HOA. This is for the sole purpose and benefit of all of the users of this system and is the specific responsibility of the HOA.

According to Grand Valley Water Users, this subdivision is entitled to approximately 9.6 acres of Class I water or .25 C.F.S. flow in Normal years. In good years it may be more and in dry years it may be proportionally less. As this is not an unlimited quantity it will require cooperative rotation to serve all parties irrigation requirements satisfactorily. Therefore, the homeowner shall use the following as schedule for irrigation for the benefit of all homeowners unless modified by a majority vote of the Homeowners Association:

- 1. No owner shall use a pump larger than ~~1.5~~ horsepower.
- 2. It shall be agreed that not more than 3 lot owners shall pump simultaneously. The rotation shall be as follows:

As amended

Monday	Lots 1, 2 & flush system	8:00-12:00 pm	?
Tuesday	Lots 3, 4, 5		
Wednesday	Lots 6, 7, 8		
Thursday	Lots 9, 10, 11		
Friday	Lots 12, 13, 14		
Saturday	Lots 15, 16, 17		
Sunday	Lots 18, 19, 20		

- 3. Timers are recommended.
- 4. Failure of any lot owner to reasonably cooperate, or abuse of the system by any owner may result in the Homeowners Association cutting off service to an individual user at the HOA's reasonable discretion.

19. ASSESSMENTS: Each purchaser, by acceptance of a deed from the original developers (North Crest Development, Limited Liability Company) agrees to pay the Homeowners Association assessments or charges established and collected from time to time as herein provided. The initial assessment will be one hundred (\$100) per year, billed annually. The H.O.A. officers

or Directors may adjust the amount as needed as well as request special assessments if needed. There will be no combining of lots for the purpose of reducing assessments unless the intent is to create a larger single building lot which would require ACC approval first. Assessments shall begin to accrue upon transfer of title from North Crest Development Limited Liability Company, or its assigns, to any individual or builder.

19.2 The assessments levied by the Association shall be used exclusively for the utilities, lighting, maintenance, repair or replacement of the irrigation, drainage and detention systems, legal fees, and such expenses as the Board of Directors of the HOA shall determine to be necessary and desirable including the establishment of a cash reserve for all of the foregoing purposes. In the event repairs are needed due to the negligent acts of an owner, the owners family, guests, employees, or invitees, the association shall be reimbursed forthwith by such owner. Said reimbursement may be enforced by filing a lien upon that owners lot.

19.3 Assessments are due when billed. If the assessments are not paid within 30 days when due they shall become delinquent and listed as such in the HOA minutes following the delinquencies. After a period of 60 days of delinquency, interest at the rate of 18% per annum shall also begin to accrue. Such delinquent assessments along with interest and collection costs, including attorney fees, will become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, representatives, and/or assigns. The obligation of the then owner to pay such assessments, however, shall remain their personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

19.4 The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The lien of the assessment shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado. Sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall not extinguish the lien of such assessments unless the Board approves such action. No such action, sale, or transfer shall relieve such lot from assessments thereafter becoming due.

20. INDEMNIFICATION: Neither the Association, Developer, nor any member of its Board of Directors of the HOA, any agent or employee of the HOA or Developer shall be liable to any owner or other person or entity for any action taken, or failure to act with respect to any matter if the action taken or failure to act was in good faith and without willful or intentional misconduct. The HOA shall indemnify and hold harmless each member of the H.O.A. Board, any officer of the Association or any agent or employee of the HOA or Developer from any and all reasonable costs, damages, charges, liabilities, obligations, fines, penalties, claims, demands, or judgments and any and all expenses, including without limitation, reasonable attorney's fees incurred in the defense or settlement of any action arising out of, or claimed on account of any act, omission, error or negligence of such persons or of the Association, its Directors, the Developer or any committee or agent of the Association or Developer, provided that such person has acted in good faith and without willful or intentional misconduct.

21. UTILITY TARIFFS: All lots are subject to and bound by Grand Valley Rural Power Lines, Inc. tariffs which are now and may in the future be filed with the Public Utilities Commission of the State of Colorado relating to street lighting in this Subdivision, together with rates, rules and regulations therein provided and subject to all future amendments and changes thereto. The owner or owners shall pay as billed a portion of the cost of public street lighting in the Subdivision according to Grand Valley Rural Power Lines, Inc. rates, rules and regulations, including future amendments and changes on file with the Public Utilities Commission of the State of Colorado.

22. DURATION OF COVENANTS: These covenants are to run with the land and shall be binding upon all parties and all persons claiming under them for a period of twenty (20) years from the date these covenants are recorded, after which time such covenants shall be automatically extended for successive periods of ten years, unless an instrument signed by 70% of the then owners of the lots has been recorded agreeing to change said covenants in whole or in part.

23. ENFORCEMENT: The ACC shall act as the judicial branch of the Association and shall have the right to prosecute any action to enforce the provisions of all of these covenants by injunctive relief on behalf of itself and all or part of the owners. In addition, each owner shall have the right to prosecute any action for injunctive relief and for damages by reason of any violation of these covenants. The ACC may have access to Homeowners Association funds to assist in enforcement or defense of these covenants. The prevailing party may be entitled to reasonable attorney fees. No one other than a property owner(s) in this subdivision, as a part of the H.O.A., may bring an action of enforcement of these covenants.

24. Invalidation of any of these covenants by judgment or court order shall in no way affect any of the other provisions or covenants herein stated, which shall remain in full force and effect.

IN WITNESS WHEREOF, this Declaration of Restrictive Covenants has been executed this 16 day of Sept, 1993.

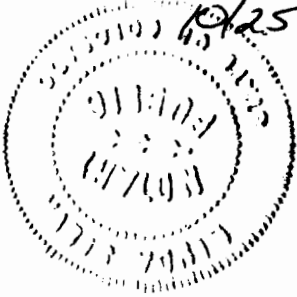
North Crest Development
A Colorado Limited Liability Company

BY: Kay C. Scott
Kay C. Scott - Manager

ATTEST: Linda Selvi

Commission Expires

10/25/95



July 1, 2009

To: North Crest Homeowners

From: North Crest Homeowners Board of Directors
Rod Sharp, President
Mary Kusack, Secretary
Chuck Wanebo, Treasurer

Re: Covenants

As you all know, we as North Crest Subdivision homeowners are bound by Covenants for the purpose of insuring that the property will be used for attractive residential purposes and thereby to secure to each site owner the full benefit and enjoyment of his/her home while securing the same advantages to other site owners.

The board of directors for your homeowners association would like to take this opportunity to remind all homeowners of two separate covenant restrictions that needs some attention.

1. Items 3.0 and 3.1 – The Architectural Control Committee (ACC) shall approve or disapprove prospective architectural and landscaping plans in writing. The ACC shall exercise its best judgment to see that all structures and alterations and landscaping conform and harmonize with the natural surroundings and with existing structures.
2. Items 16 and 17 – All motor vehicles or recreation vehicles must be kept inside a garage or within a visually screened area as may be approved by the ACC.

If you are planning any building or landscaping projects this year, please take the time to provide a written plan to the ACC for approval. Many problems can be avoided by getting approval beforehand. The ACC members this year are Ike Ellison, Mary Kusack, and Wayne Bills.

The keeping of motor vehicle rules are being violated by many homeowners in the subdivision (Item 16). Based on discussions with several lot owners in the subdivision, I would suggest we propose a small change to Item 16 in our covenants to allow cars to be parked on property driveways. Please find enclosed a motion to change the covenants. It is my understanding this would require 70 percent of the homeowners' approval for passage. Thanks to all of you that have made the appropriate arrangements of storing your campers and recreation vehicles (Item 17).

Because of the strong support for enforcement of our covenant restrictions at the annual meeting, the HOA board of directors is proposing the following process for covenant violations:

- A meeting will be scheduled with the homeowner, ACC, and board of directors to discuss the violation.
- Following the meeting, if the issue has not been solved a letter will be sent to the homeowner for any covenant violation. The letter will specify the violation and request voluntary compliance by a specified deadline.

- Halfway to the deadline a reminder letter will be sent to the homeowner. The second letter will spell out the possible consequences (fines, prosecution, etc.) for missing the deadline.
- If the deadline passes without the violation being fixed, all homeowners in the association will be notified of the violation and the ACC will begin using their power as specified in the covenants (Item 23) to enforce the provisions of the covenants.

Please let us know your thoughts on this proposed process.

We have a great neighborhood. Our covenants were developed for the purpose of protecting and enhancing the value, desirability and attractiveness of our subdivision. We, as your HOA's board of directors, will do our best to enforce the provisions of our covenants on behalf of all homeowners.

Rodney L Sharp