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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

FOR

WOODMEN HILLS

FILING 10



DECLARATION OF
 COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR
 WOODMEN HILLS (FILING 10)

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WOODMEN HILLS
FILING 10, Lots 1113 through 1176

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made as of this 20th day of February 2002, by FALCON PROPERTIES AND INVESTMENTS, LLP, a Colorado limited liability partnership ("Declarant").

ARTICLE 1

GENERAL

1.1 Community Area.

Declarant is the owner of that certain parcel of land located in the County of El Paso, Colorado, legally described as WOODMEN HILLS FILING NO. 10, LOTS 1113 – 1176 INCLUSIVE ACCORDING TO THE RECORDED PLAT THEREOF, which is defined in this Declaration as the "Property." Declarant intends to develop the Property, subject to the Permitted Exceptions, as a high quality residential community containing single family residential homes with a maximum of 64 Lots.

1.2 Purposes of Declaration.

This Declaration is executed (a) in furtherance of a common and general plan for the development of the Community Area, as hereinafter defined; (b) to protect and enhance the quality, value, aesthetic, desirability and attractiveness of the Community Area; and (c) to define certain duties, powers and rights of Owners of Lots within the Community Area.

1.3 Declaration.

Declarant, for itself, its successors and assigns, hereby declares that the Property, and all property which becomes subject to this Declaration in the manner hereinafter provided from the date the same becomes subject to this Declaration, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with the terms hereof, shall bind, be a charge upon and inure to the mutual benefit of: (a) the Property; (b) Declarant and its successors and assigns; and (c) all Persons having or acquiring any right, title or interest in the Property, or any Improvement thereon, and their heirs, personal representatives, successors or assigns. This Declaration shall be Recorded in every county in which any portion of the Community Area is located and shall be indexed in the grantee's index in the name of Falcon Properties and Investments, LLP and in the Grantor's Index in the name of each person or entity executing this Declaration.

ARTICLE 2

DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified.

2.1 Community Area.

"Community Area" shall mean the real property which is described in Section 1.1 attached hereto and all other real property which is made subject to the terms and provisions of this Declaration.

2.2 County.

"County" shall mean El Paso County, Colorado.

2.3 Declaration.

"Declaration" shall mean this instrument as it may be amended or supplemented from time to time

2.4 Declarant.

"Declarant" shall mean Falcon properties and Investments, LLP, a Colorado limited liability partnership, its successors and assigns. A Person shall be deemed to be a "successor and assign" of Falcon Properties and Investments, LLP, as Declarant only if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in the written instrument. However, a successor to Declarant by consolidation or merger shall automatically be deemed a successor or assign of Declarant as Declarant under this Declaration.

2.5 Deed of Trust.

"Deed of Trust" shall mean a Mortgage.

2.6 Design Review Committee.

"Design Review Committee" shall mean the Committee provided for in Article 4 of this Declaration.

2.7 District.

"District" shall mean and refer to Woodmen Hills Metropolitan District.

2.8 Improvement.

"Improvement" shall mean all structures and improvements located upon or made to a Lot and any appurtenances thereto of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, walkways, outdoor sculptures or artwork, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, patios, porches, sheds, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, swimming pool, tennis court, solar equipment, exterior air conditioning and water softener fixtures.

2.9 Improvement to Property.

"Improvement to Property" shall mean any change, alteration, or addition to any Lot or property located within the Community Area. "Improvement to Property" is more particularly defined in Article IV of this Declaration.

2.10 Leases.

"Lease" shall mean and refer to any agreement for the leasing or rental of a Lot, or any dwelling unit located thereon and shall specifically include, without limitation, a month-to-month rental.

2.11 Lot.

"Lot" shall mean a physical portion of the Community Area which is designated for separate ownership or occupancy and the boundaries of which are depicted upon the Plat together with a non-exclusive easement for use and enjoyment in any property owned by the District. The term Lot shall not include any property owned by a public body.

2.12 Member.

"Member" shall mean the Person or, if more than one, all Persons collectively, who constitute the Owner of a Lot.

2.13 Mortgage.

"Mortgage" shall mean any mortgage or deed of trust or other such instrument given voluntarily by the Owner of a Lot, which encumbers such Lot to secure the performance of an obligation or the payment of a debt and which is required to be released upon performance of the obligation or payment of the debt. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage."

2.14 Mortgagee.

"Mortgagee" shall mean a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee.

2.15 Mortgagor.

"Mortgagor" shall mean the Person who mortgages his or its property to another (i.e., the maker

or grantor of a Mortgage). The term "Mortgagor" shall include a trustor or grantor under a Deed of Trust.

2.16 No Building Areas.

"No Building Areas" are those areas designated on the Plat or any Supplemental Plat which form parts of Lots wherein the Owner may erect fencing and landscaping but shall not erect any other permanent structures.

2.17 Notice of Completion.

"Notice of Completion" shall mean written notice to the Design Review Committee of the completion of any Improvement to Property pursuant to Article 4 of this Declaration.

2.18 Owner.

"Owner" shall mean the Person, including Declarant, or, if more than one, all Persons collectively, who hold fee simple title to a Lot, including sellers under executory contracts of sale and excluding buyers thereunder. For purposes of terminating or amending this Declaration as set forth in Article 7 below, each Owner shall have the right to exercise one vote for each Lot owned by it.

2.19 Permitted Exceptions.

"Permitted Exceptions" shall mean all encumbrances, liens, restrictions, easements and other items of record which affect the Community Area and which are more particularly described on Exhibit C attached hereto.

2.20 Person.

"Person" shall mean a natural person, a corporation, a partnership, a limited liability company or any other entity permitted to hold title to real property pursuant to Colorado law.

2.21 Plat.

"Plat" shall mean and include the land survey plat which depicts all or a portion of the Community Area and which further depicts and locates thereon the location of Lots and such other matters as may be required by law. The Plat, and the terms and provisions thereof, are hereby incorporated herein by reference. The term "Plat" shall also include all amendments thereto and such other Supplemental Plats recorded by the Declarant for the purposes of annexing real property to the Community Area.

2.22 Property.

"Property" shall mean the real property more particularly described on Exhibit A attached hereto.

2.23 Record or Recorded.

"Record" or "Recorded" shall mean the filing for record of any document in the office of the Clerk and Recorder of the County.

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2.24 VA.

"VA" shall mean the VA, FL-IA, HUD, GinnieMae, FreddieMac and shall include any rules and/or regulations promulgated by such governmental housing entities.

ARTICLE 3

GENERAL RESTRICTIONS APPLICABLE TO COMMUNITY AREA

All real property within the Community Area shall be held, used, and enjoyed subject to the following limitations and restrictions and subject to the rights and reservations of Declarant set forth in this Declaration. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Design Review Committee if such strict application would be unreasonably or unduly harsh under the circumstances. Any such modification or waiver must be in writing or be contained in written guidelines or rules promulgated by the Design Review Committee.

3.1 Maintenance of Community Area.

No property within the Community Area shall be permitted to fall into disrepair and all property within the Community Area, 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 of the Lot.

3.2 Property Uses.

All Lots shall be used for private residential purposes. No dwelling unit erected or maintained within Community Area shall be used or occupied for any purpose other than for a single-family residence. Notwithstanding the foregoing, business activities associated with the sale of Lots or residences constructed thereon shall be allowed. In addition, in-home businesses not involving the servicing of customers or employees shall be allowed, provided such activities are conducted solely within the residence and do not create or result in any unreasonable, unwarranted, or unlawful use or interference with public rights, including, but not limited to, unreasonable or unwarranted use or interference with public streets, rights-of-way, or sidewalks, or in any other offensive or noxious activities.

3.3 Construction Type.

All construction shall be new. No modular, mobile, or prefabricated homes or dwelling units of any type may be placed or located within the Community. No building previously used at another location nor any building or structure originally constructed as a mobile dwelling or structure may be moved onto a Lot, except as expressly hereinafter provided for temporary buildings. Architectural standards are established to the end that the Properties may benefit from the natural advantages of its particular location. While the standards for architectural style are flexible, compatibility with the informal natural environment is required. Contemporary, southwestern, and western styles typical of the Pikes Peak Region are desirable. All buildings must be designed to fit the natural contours of the Lot without excessive grading.

3.4 Square Footage.

No dwelling unit shall be erected which has an architectural floor area of less than one thousand (1,000) square feet of finished living space plus a two (2) car garage.

3.5 No Noxious or Offensive Activity.

No noxious or offensive activity shall be carried on upon any property within the Community Area, nor shall anything be done or placed thereon which is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others. No offensive or hazardous activities may be carried on any Lot or in any living home. No annoying lights, sound or odors shall be permitted to emanate from any living home.

3.6 Annoying Sounds or Odors.

No sound or odor shall be emitted from any property within the Community Area which is noxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, other than security devices used exclusively for security purposes, shall be located or used on any property except with the prior written approval of the Design Review Committee and shall comply with all applicable laws.

3.7 No Hazardous Activities.

No activity shall be conducted on, and no Improvement shall be constructed on, any property within the Community Area which is 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 property within the Community Area and no open fires shall be lighted or permitted on any property within the Community Area except in a contained barbecue unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent the dispersal of burning embers.

3.8 Building Materials.

No building materials shall be stored on any Lot except temporarily during continuous construction or alteration of Improvements thereon, unless otherwise approved by the Design Review Committee.

3.9 No Unsightliness.

All unsightly conditions, structures, facilities, equipment, objects, and conditions shall be enclosed within a structure, including snow removal equipment and garden or maintenance equipment, except when in actual use.

3.10 Weeds and Diseased Trees.

All yards and open spaces and the entire area of every Lot on which no Improvement has been constructed shall be kept mowed to a maximum height of 6 inches. In addition, each Lot shall be kept free from brush or other growth or trash which, in the reasonable opinion of the Design Review Committee, is unsightly or causes undue danger of fire. All yards and open spaces and

the entire area of every Lot on which no building has been constructed, shall be kept free from plant or weeds infected with noxious insects or plant diseases and from weeds which, in the opinion of the Design Review Committee, are likely to cause the spread of infection or weeds to neighboring property. Trees infected with mistletoe, pine beetle or other diseases shall be removed by the Owner.

3.11 Restrictions on Garbage and Trash.

No refuse, garbage, trash, lumber, grass, shrub, tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse or debris of any kind shall be kept, stored, or allowed to accumulate on any Lot except within an enclosed structure or appropriately screened from view, except that any container containing such materials may be placed outside at such times as may be necessary to permit garbage or trash pick-up. Burning of trash is prohibited. The Declarant reserves the right to select a company to be the exclusive supplier of trash pickup for the Properties.

3.12 Animals.

No animals, live stock or poultry of any kind shall be raised, bred or kept on any Lot, except that domesticated birds or fish and other small domestic animals permanently confined indoors will be allowed. No other animals, except an aggregate of not more than three domesticated animals (e.g., two cats and one dog), will be permitted within the Community Area; provided that they are not kept, bred, or maintained for any commercial purpose. No animal of any kind shall be permitted which in the opinion of the Review Committee makes an unreasonable amount of noise or odor or is a nuisance. 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 pet Owner or such Owner's representative. Each Owner of a household pet shall be financially responsible and liable for any damage caused by said household pet.

3.13 Wildlife.

Insofar as the Property is abundant with plant and animal life including both mammals and birds, the Lots and Annexable Property shall be used by all Owners only in such a manner as is consistent with the preservation of animals and their natural habitat. Therefore, the Property shall not be subjected to any kind of intensive or destructive use or activity which might otherwise result in avoidable damage to the existing animal habitats.

3.14 No Temporary Structures.

No tent, treehouse, barn, shack, temporary structure, or temporary building shall be placed upon any property within the Community Area except with the prior written consent of the Design Review Committee.

3.15 Restriction on Antennae, Pines, Utility Lines and Transmitters.

Pipes for water, gas, sewer, drainage or other purposes, all wires, poles, aerials, antennae, satellite dishes and other facilities for the transmission or reception of audio or visual signals or electricity, and all utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antenna of any type shall be erected or maintained within

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the Community Area except as set forth below or otherwise as may be approved by the Design Review Committee. With the approval of the Design Review Committee, a master antenna or cable television antenna may, but need not, be provided for use of all Owners or a group of Owners, and Declarant may grant easements for such purposes. No electronic or radio transmitters of any kind other than garage door openers or cordless telephones shall be operated in or on any structure or within any Lot. An Owner may install and maintain one (1) small satellite dish antenna on the Owner's Lot, subject to the following guidelines: (i) the satellite antenna must be one meter or less in diameter and must resemble or be disguised to resemble other similar devices approved by the Design Review Committee for use within the Community Area; (ii) the satellite antenna is registered with the Design Review Committee within ten (10) days prior to its installation; (iii) the satellite antenna is installed in accordance with the manufactures' guidelines to insure safe installation; (iv) the satellite antenna must be properly grounded and placed a safe distance from power lines; (v) the satellite antenna must not be visible from the front of the Lot and must be screened from view from adjacent property by an enclosure or shrubbery approved by the Design Review Committee; (vi) the satellite antenna may be used only for personal use of the Owner of the Lot; (vii) when located at ground level, the top of the satellite antenna may not exceed twenty-four inches (24") above grade; (viii) the installation of the satellite antenna must comply with all applicable zoning restrictions, building codes and set-backs (both in the Plat and this Declaration), prior to the installation, the Owner shall provide the Design Review Committee with a copy of the building permit for the installation of the satellite antenna, if required by the local building department; and (ix) no satellite antenna may be installed on the roof of any Improvements on a Lot or on any exterior wall unless the top of the antenna unit does not exceed thirty inches (30") above grade. To the extent that interpretation of this rule is necessary, such interpretation will be undertaken by the Design Review Committee in full compliance with all federal, state and local statutes and regulations, as may be supplemented or amended from time to time. The foregoing restriction, however, shall not apply to those facilities maintained by the Declarant for the purposes of the reception and transmission of cable television signals.

3.16 Restrictions on Signs and Advertising.

No sign, poster, billboard, advertising device, or display of any kind shall be erected or maintained anywhere within the Community Area so as to be evident to public view, except: (a) signs as may be approved in writing by the Design Review Committee; or (b) signs, posters, billboards or any other type of advertising device or display erected by Declarant incidental to the development, construction, promotion, marketing or sales of Lots within the Community Area. A sign advertising a Lot for sale or for lease may be placed on a Lot; provided, however, that standards relating to dimensions, color, style, and location of such sign shall be determined from time to time by the Design Review Committee.

3.17 Restrictions on Mining or Drilling.

No property within the Community Area shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel or earth.

3.18 Maintenance of Drainage.

There shall be no interference with the established drainage pattern over any property within the

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Community Area except as approved in writing by the Design Review Committee. Approval shall not be granted unless provision is made for adequate alternate drainage. The "established drainage pattern" shall mean the drainage pattern which exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Design Review Committee. The established drainage pattern may include the drainage pattern: (a) from any property owned by the County or other Persons over any Lot; (b) from any Lot over property owned by the County or other Persons; from any property owned by the District over any Lot; (d) from any Lot over any property owned by the District; or (e) from any Lot over another Lot.

3.19 Compliance with Laws.

Nothing shall be done or kept on any property within the Community Area in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction over the Community Area.

3.20 Further Subdivision of Lots.

The Owner of a Lot shall not further subdivide that Lot.

3.21 Restrictions on Sewage Disposal Systems.

No cesspool, septic tank or other sewage disposal system shall be installed within the Community Area without the prior written consent of the Design Review Committee. Any sewage disposal system installed for property within the Community Area shall be subject to all applicable laws, rules and regulations of any governmental authority having jurisdiction over the Community Area.

3.22 Restrictions on Water Systems.

No individual water supply system shall be installed or maintained for any property within the Community Area unless such system is approved in writing by the Design Review Committee and is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water and sanitation district or other governmental authority having jurisdiction. All water and water rights are owned by the District. No individual well systems are permitted.

3.23 Restoration in the Event of Damage or Destruction.

In the event of the damage or destruction of any Improvement on any Lot, the Owner thereof shall cause the damaged or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Committee, or the Owner shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, subject to the approval of the Design Review Committee, so as to present a pleasing and attractive appearance.

3.24 Storage.

No building materials shall be stored on any Lot except temporarily during continuous

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construction of an Improvement.

3.25 Vehicle Repairs.

No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed structure which screens the sight and sound of such activity from the street and from other Lots.

3.26 Storage of Gasoline and Explosives. Etc.

No Lot shall be used for the storage of explosives, gasoline or other volatile and/or incendiary materials or devices. Gasoline or fuel for an Owner's lawn mower, snowblower and the like may be maintained on an incidental basis on the Lot in an amount not to exceed five (5) gallons.

3.27 Trailers. Campers and Junk Vehicles.

No boat, camper (on or off supporting vehicles), trailer, tractor, truck, industrial or commercial vehicle (both cabs or trailers), towed trailer unit, motorcycle, disabled, junk, or abandoned vehicles, motor home, mobile home, recreational vehicle, or any other vehicle, the primary purpose of which is recreational, sporting or commercial use, shall be parked or stored in, on, or about any Lot or street within the Community Area except within the attached garage or unless such vehicles are concealed from view and approved by the Design Review Committee. For the purposes of this covenant, a one (1) ton or smaller vehicle commonly known as a pickup truck shall not be deemed a commercial vehicle or truck.

3.28 Fences Prohibited.

No fences shall be constructed along or adjacent to the boundary or lot line of any Lot without the prior approval of the Design Review Committee unless in conformance with standard design specifications previously approved by the Design Review Committee. Privacy fences, security fences, and fences for screening purposes may also be approved by the Design Review Committee if in conformance with standard design specifications previously approved by the Design Review Committee. Fencing of entire lots is prohibited and a minimum of solid fencing will be permitted only in the rear of home in order to surround privacy areas and for animal control. No fencing will be permitted in the front of any residential structure. Fencing of the rear of a lot along lot lines will be permitted provided that said fence is a split rail type with no more than three (3) rails and constructed of a composition material approved by the Design Review Committee.

3.29 Air Conditioning and Heating Equipment.

No heating, air conditioning or refrigeration equipment shall be placed, allowed or maintained anywhere other than on the ground; provided, however, that solar units meeting all governmental guidelines for residential uses may be located on the roof if (a) such solar unit is built into and made an integral part of the roof flashing or the structure of any house constructed on such Lot; and (b) such solar unit is specifically approved by the Design Review Committee in accordance with Article 4 below.

3.30 Owner's Right to Lease Lot.

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All Owners shall have the right to lease such Owner's Lot provided that: (a) all Leases shall be in writing; (b) all Leases shall be for a Lot with a completed residence thereon; (c) all Leases shall provide that the terms of the Lease and the lessee's occupancy of the Lot shall be subject to this Declaration and that any failure by the lessee to comply with any of the aforesaid documents in any respect shall be a default under such Lease; (d) all Leases shall provide that the terms of the Lease and the lessee's occupancy of the Lot shall be subject to the ordinances, regulations and fees of the District and that any failure by the lessee to comply with any of the aforesaid obligations in any respect shall be a default under such Lease; and (e) such Owner shall notify the Declarant immediately upon the leasing of such Lot and register with Declarant both the name(s) of the tenant(s) and new mailing information for notices to be sent by the Declarant directly to such Owner.

3.31 Permitted Exceptions.

By acceptance of a deed for a Lot within the Community Area, all Owners of Lots within the Community Area acknowledge that all or portions of the Property may be subject to, or benefited by, the Permitted Exceptions, including, but not limited to, all easement and licenses described therein.

3.32 Garage and Driveway.

The dwelling unit on each Lot shall include at least a two (2) car or larger fully enclosed garage or such equivalent garage arrangements as may be approved by the Design Review Committee. All driveways must be constructed of concrete or similar material. Dirt, gravel, and asphalt will not be permitted.

3.33 Garage Doors.

Garage doors shall be kept closed except when being used to permit ingress or egress to or from the garage.

3.34 Building Height Limitation.

No building or other structure shall exceed thirty-five feet in height from the lowest elevation of the natural grade along the perimeter of the structure to the mid-point of the highest gable of a pitched or hip roof or to the top of the coping on the flat roof without the prior permission of the Design Review Committee.

3.35 Outdoor Lines.

All outdoor clothes poles, clothes lines and other facilities for drying or airing of clothing or household goods shall be placed or screened by fence or shrubbery so as not to be visible from neighboring property or adjacent streets.

3.36 Parking.

Except as expressly heretofore provided, no part of the public street adjoining the Properties, no part of any Lot, nor any part of other public areas, unless specifically designated by the Design

Review Committee, shall be used for the parking, storage or display of any vehicles including private passenger vehicles and pickup trucks; however, parking on driveways is permitted.

3.37 Exterior Tanks.

No owner shall maintain or place upon an lot any above-ground swimming pool, filter tank, fuel tank, propane tank, or similar devices unless the same are enclosed or screened so as not to be visible from streets or adjoining lots.

3.38 Landscaping.

Within six (6) months after substantial completion of the Improvements on a Lot, or within any extension of that period granted by the Design Review Committee, all yards and open space on the Lot shall be landscaped and thereafter maintained. All irrigated landscaping must be in compliance with the rules and regulations of the Woodmen Hills Metropolitan District and all landscaping must consist of a reasonable number of coniferous trees, however these requirements may be modified with the approval of the Design Review Committee and the Woodmen Hills Metropolitan District. Landscaping may include partial areas of natural vegetation and preservation of native grasses, trees, and shrubs.

ARTICLE 4

ARCHITECTURAL APPROVAL

4.1 Approval of Improvements Required.

The approval of the Design Review Committee shall be required for any Improvement to Property on any Lot except: (a) for any Improvement to Property made by Declarant; (b) where approval is not reasonably required to carry out the purposes of this Declaration; and (c) where prior approval of Improvements to Property may be waived or certain Improvements to Property may be exempted in writing or under written guidelines or rules promulgated by the Design Review Committee.

4.2 Improvement to Property Defined.

"Improvement to Property" requiring approval of the Design Review Committee shall mean and include, without limitation: (a) the construction, installation, erection or expansion of any building, structure or other Improvement, including utility facilities and fences; (b) the removal, demolition or destruction, by voluntary action, of any building, structure, landscaping, trees or other Improvement; (c) the grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; and (d) any change or alteration of any previously approved Improvement to Property including any change of exterior appearance, color, or texture.

4.3 Membership of Committee.

The Design Review Committee shall consist of three (3) members, all of whom shall be

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appointed by Declarant. Members of the Design Review Committee appointed by Declarant may be removed at any time by Declarant and shall serve for such term as may be designated by Declarant or until resignation or removal by Declarant. Declarant may at any time and from time to time change the authorized number of members of the Design Review Committee, but the number of members of the Design Review Committee shall not be less than three (3).

4.4 Address of Design Review Committee.

The address of the Design Review Committee shall be at the principal office of Declarant.

4.5 Submission of Plans.

Prior to commencement of work to accomplish any proposed Improvement to Property, the Person proposing to make such Improvement to Property ("Applicant") shall submit to the Design Review Committee at its offices such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the Design Review Committee shall request showing the nature, kind, shape, height, width, color, materials and location of the proposed Improvement to Property. The Applicant shall be entitled to receive a receipt for the same from the Design Review Committee or its authorized agent. The Design Review Committee may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement to Property. Until receipt by the Design Review Committee of all required materials in connection with the proposed Improvement to Property, the Design Review Committee may postpone review of any materials submitted for approval.

4.6 Criteria for Approval.

The Design Review Committee shall approve any proposed Improvement to Property only if it deems in its reasonable discretion that: (a) the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Community Area as a whole; (b) the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas of the Community Area; (c) the Improvement to Property will not detract from the beauty, wholesomeness and attractiveness of the Community Area or the enjoyment thereof by Owners; (d) the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the any other party other than Owner; and (e) the proposed Improvement to Property does not affect the drainage plan for the Community Area or any portion thereof. The Design Review Committee may condition its approval of any proposed Improvement to Property upon the making of such changes therein as the Design Review Committee may deem appropriate.

4.7 Design Standards.

The Design Review Committee may issue standards or rules ("Design Standards") relating to the procedures, materials to be submitted, fees and additional factors which will be taken into consideration in connection with the approval of any proposed Improvement to Property. The Design Standards may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part because strict application of such limitations or restrictions would be unreasonable or unduly harsh under the circumstances. The Design Standards may waive the requirement for approval of certain Improvements to Property or exempt certain Improvements to Property from the requirement for

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approval, if such approval is not reasonably required to carry out the purposes of this Declaration.

4.8 Design Review Fee.

The Design Review Committee may, through the Design Standards or otherwise, provide for the payment of a fee to accompany each request for approval of any proposed Improvement to Property. The Design Review Committee may provide that the amount of such fee shall be uniform for similar types of proposed Improvements to Property or that the fee shall be determined in any other reasonable manner including the estimated cost of the proposed Improvement to Property.

4.9 Decision of Committee.

Any decision of the Design Review Committee shall be made within thirty (30) days after receipt by the Design Review Committee of all materials required by the Design Review Committee, unless such time period is extended by mutual agreement. The decision shall be in writing and if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the Design Review Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Design Review Committee.

4.10 Failure of Committee to Act on Plans.

Any request for approval of a proposed Improvement to Property shall be deemed approved unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Design Review Committee within thirty (30) days after the date of receipt by the Design Review Committee of all required materials.

4.11 Prosecution of Work After Approval.

After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in complete conformity with: (a) the description of the proposed Improvement to Property; (b) any materials submitted to the Design Review Committee in connection with the proposed Improvement to Property; and (c) any conditions imposed by the Design Review Committee. Failure to complete the proposed Improvement to Property within eighteen (18) months after the date of approval or such shorter period as specified in writing by the Design Review Committee, or to complete the Improvement to Property in accordance with the description and materials furnished to, and the conditions imposed by, the Design Review Committee, shall constitute noncompliance with the requirements for approval of Improvements to Property.

4.12 Notice of Completion.

Upon completion of the Improvement to Property, the Applicant may give written Notice of Completion to the Design Review Committee. Until the date of receipt of such Notice of Completion, the Design Review Committee shall not be deemed to have notice of completion of such Improvement to Property.

4.13 Inspection of Work.

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The Design Review Committee or its duly authorized representative shall have the right to inspect any Improvement to Property prior to or after completion; provided that the right of inspection shall terminate thirty (30) days after the Design Review Committee shall have received a Notice of Completion from Applicant.

4.14 Notice of Noncompliance.

If, as a result of inspections or otherwise, the Design Review Committee finds that any Improvement to Property has been done without obtaining the approval of the Design Review Committee or was not done in complete conformity with the description and materials furnished to, and any conditions imposed by, the Design Review Committee, the Design Review Committee shall notify the Applicant in writing of the noncompliance, which notice shall be given, in any event, within thirty (30) days after the Design Review Committee receives a Notice of Completion from the Applicant. The notice shall specify the particulars of the noncompliance and shall require the Applicant to take such action as may be necessary to remedy the noncompliance.

4.15 Failure of Committee to Act After Completion.

If, for any reason other than the Applicant's act or neglect, the Design Review Committee fails to notify the Applicant of any noncompliance within thirty (30) days after receipt by the Design Review Committee of written Notice of Completion from the Applicant, the Improvement to Property shall be deemed in compliance if the Improvement to Property was, in fact, completed as of the date of Notice of Completion.

4.16 No Implied Waiver or Estoppel.

No action or failure to act by the Design Review Committee shall constitute a waiver or estoppel with respect to future action by the Design Review Committee with respect to any Improvement to Property. The approval of the Design Review Committee of any Improvement to Property shall not be deemed a waiver of any right to withhold approval for any similar Improvement to Property or any similar proposals, plans, specifications or other materials submitted with respect to any other Improvement to Property.

4.17 Committee Power to Grant Variances.

The Design Review Committee may authorize variances from compliance with any of the provisions of this Declaration, including restrictions upon height, size, floor area or placement of structures or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require such variances. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Design Review Committee. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned, including, but not limited to, zoning ordinances and

setback lines or requirements imposed by any governmental authority having jurisdiction.

4.18 Meetings of Committee.

The Design Review Committee shall meet from time to time as necessary to perform its duties hereunder. The Design Review Committee may from time to time, by resolution in writing adopted by a majority of the members, designate a Committee Representative (who may but need not be one of its members) to take any action or perform any duties for or on behalf of the Design Review Committee, except the granting of approval to any Improvement to Property and granting of variances. The action of such Committee Representative within the authority of such Committee Representative or the written consent or the vote of a majority of the members of the Design Review Committee shall constitute the action of the Design Review Committee.

4.19 Records of Actions.

The Design Review Committee shall report in writing to the Declarant all final actions of the Design Review Committee, and the Declarant shall keep a permanent record of such reported action.

4.20 Estoppel Certificates.

The Declarant shall, upon the reasonable request of any interested Person and after confirming any necessary facts with the Design Review Committee, furnish a certificate with respect to the approval or disapproval of any Improvement to Property or with respect to whether any Improvement to Property was made in compliance herewith. Any Person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

4.21 Nonliability of Committee Action.

There shall be no liability imposed on the Design Review Committee, any member of the Design Review Committee, any Committee Representative or Declarant for any loss, damage, cost, expense or injury arising out of or in any way connected with the performance of the duties of the Design Review Committee unless due to the willful misconduct of the party to be held liable. In reviewing any matter, the Design Review Committee shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of the Improvement to Property from the standpoint of safety, whether structural or otherwise, or such Improvement to Property's conformance with building codes or other governmental laws or regulations.

4.22 Construction Period Exception.

During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Design Review Committee shall temporarily suspend the provisions contained in this Declaration as to the property upon which the construction is taking place to the extent necessary to permit such construction, provided that during the course of any such construction, nothing is done which will result in a violation of any of the provisions of this Declaration upon completion of construction and nothing is done which will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Community Area.

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4.23 Assessments and Creation of Lien.

The Declarant, for each Lot owned within the Community Area, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, is deemed to covenant and agree to pay to the Design Review Committee annual assessments or charges which shall be established and collected as hereinafter provided. These charges together with interest and costs of collection shall be a charge on the Community Area and a continuing lien upon each Lot which lien may be foreclosed in like manner as a Mortgage on real property with the Owner required to pay the costs of collection. The Design Review Committee or the Declarant may prepare a written notice setting forth the amount of such unpaid assessment, the name of the Owner of the Lot and a description of the same, which may be recorded in the real property records of El Paso County, Colorado, and upon recordation such lien or unpaid assessments shall attach to the Lot and shall continue to be a lien until paid. Each assessment together with interest and the cost of collection shall also be the personal obligation of the Owner.

4.24 Purpose of Assessments.

The assessments levied by the Design Review Committee shall be used to promote the health, safety, and welfare of the Owners, to protect and enhance the value of the Lots in the Community Area, and to provide the funds necessary to enforce the terms and conditions of these Covenants.

4.25 Determination of Assessments.

Until January 1 of the year immediately following the conveyance of the first Lot, the maximum annual assessment shall be sixty (60) dollars per Lot per year. From and after January 1 of the year immediately following the conveyance of the first Lot, the maximum annual assessment may be increased each year so as to cover the total costs of enforcement including a reserve fund.

4.26 Uniform Rate of Assessments and Commencement.

Assessments shall be fixed at a uniform rate for all Lots, provided that the rates set for Lots owned by the Declarant shall be set at 40% of the maximum annual assessment. The annual assessment together with the delinquency rate shall commence on the first day of the month following the conveyance of any Lot prorated for the balance of the calendar year. The Declarant's assessments shall commence at the time of the conveyance of the first Lot. The delinquency rate of interest shall be equivalent to the commercial loan interest rate prevalent in the El Paso County area. The due date shall be established by the Design Review Committee in advance of each calendar year.

4.27 Nonpayment of Assessments.

Assessments not paid when due shall become delinquent and if not paid within thirty (30) days after the due date shall bear interest from the due date. The Design Review Committee or the Declarant may bring an action against the Owner or foreclose the lien or do both. The lien of the assessments provided herein shall be superior to any other lien or mortgage and to any homestead exemption as provided by Colorado law.

ARTICLE 5

DISTRICT

5.1 Owner's Understanding.

The property is subject to an overall Development Plan and Sketch Plan that has been approved by the Board of County Commissioners of the County. The Development Plan and Sketch Plan is a general proposal for the future development and is not meant to be exact and may be subject to modification. Ownership hereunder implies a knowledge and acceptance of the existing Development Plan and Sketch Plan and an acquiescence in its future modification so long as said modification does not substantially increase the overall density of the original Development Plan and Sketch Plan or does not materially affect the Owners use of its Lot.

5.2 Development Agreement.

All Owners recognize and understand that the property is controlled by a "Long-Term Water Lease, Option to Purchase, and Development Agreement" and a "Lease and Option-Clubhouse Agreement" between the District and the Declarant.

5.3 Special District.

The Owners further recognize and understand that the Property is within the boundaries of the District which supplies various municipal and recreational services to the property and that the Owners' Lots are subject to the ordinances, regulations, and various fees and charges now in force or which might be adopted by the District.

ARTICLE 6

DECLARANT'S RIGHTS AND RESERVATIONS

6.1 Period of Declarant's Rights and Reservations.

Declarant shall have, retain and reserve certain rights as hereinafter set forth in this Article 6 from the date hereof, until the earlier of: (a) 120 days after the date upon which seventy-five percent (75%) of the total number of the planned Lots have been conveyed to Owners other than the Declarant, Participating Builders; or (b) the later of (i) the date which is seven (7) years following the recordation of this Declaration. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each deed or other instrument by which any property within the Community Area is conveyed by Declarant. The rights, reservations and easements hereinafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Declarant's consent to any one such amendment shall not be construed as consent to any other subsequent amendment. Declarant makes no assurances that Declarant will exercise the rights reserved by Declarant herein with respect to all or any portion of the Community Area and Declarant reserves the right to exercise such rights with respect to the Community Area in such time frames and in such a manner as Declarant deems fit

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in its sole and absolute discretion.

6.2 Declarant's Rights to Complete Development of Community Area.

No provision of this Declaration shall be construed to prevent or limit Declarant's rights to (a) complete the development of property within the boundaries of the Community Area; (b) construct or alter Improvements on any property owned by Declarant within the Community Area, including temporary buildings; (c) maintain model homes, temporary buildings or offices for construction or sales purposes, or similar facilities on any property owned by Declarant within the Community Area; or (d) post signs incidental to the development, construction, promotion, marketing or sales of property within the Community Area. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals to: (a) excavate, cut, fill or grade any property owned by Declarant or to construct, alter, demolish or replace any Improvements on any property owned by Declarant; (b) use any structure on any property owned by Declarant as a construction, model home or real estate sales office in connection with the sale of any property within the boundaries of the Community Area; or (c) to require Declarant to seek or obtain the approval of the Design Review Committee for any such activity or Improvement to Property on any property owned by Declarant. Nothing in this Declaration shall limit or impair the reserved rights of Declarant as elsewhere provided in this Declaration.

6.3 Declarant's Rights to Grant and Create Easements.

Declarant shall have and hereby reserves the right to grant or create temporary or permanent easements for access, utilities, drainage, and water in, on, under, over and across Lots owned by Declarant for any purpose incident to the development and sale of Lots within the Community Area.

6.4 Declarant's Rights to Convey Additional Property to District.

Declarant shall have and hereby reserves the right, but not the obligation to convey additional real property and Improvements thereon to the District at any time and from time to time in accordance within this Declaration.

6.5 Expansion of Permitted Property Uses.

Notwithstanding anything to the contrary contained herein, Declarant reserves the right to expand the permitted uses for Lots as provided in Article 3 hereof provided that such uses: (a) are consistent with Declarant's overall development plan for the Community Area; and (b) are in accordance with County rules, regulations, requirements and approvals.

ARTICLE 7

MISCELLANEOUS

7.1 Term of Declaration.

Unless amended as herein provided, each provision contained in this Declaration shall continue

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and remain in full force and effect until December 31, 2050, and thereafter shall be automatically extended for successive periods of ten (10) years each unless terminated by the vote, by written ballot, of Owners holding at least seventy-five percent (75%) of the voting power of Owners of Lots entitled to vote. In the event this Declaration is terminated, the termination of this Declaration shall be evidenced by a termination agreement ("Termination Agreement"), or ratification thereof, executed by the requisite number of Owners. The Termination Agreement shall specify a date after which the Termination Agreement will be void unless recorded before such date. The Termination Agreement shall be recorded and the termination of this Declaration shall be effective upon such recording.

7.2 Amendment of Declaration by Declarant.

Until such time as Declarant has conveyed any portion of the Community Area to a third party, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment or termination. Declarant reserves the right to unilaterally amend this Declaration in all circumstances permitted by law and which do not conflict with VA guidelines. Notwithstanding anything contained within this Declaration, and to the extent permitted by law, if Declarant determines that any amendments to this Declaration shall be necessary in order for existing or future Mortgages or other security instruments to be acceptable to the VA then Declarant shall have and hereby specifically reserves the right and power to make, execute and record any such amendments without obtaining approval of the Owners or Mortgagees (or any percentage thereof). Notwithstanding anything contained within this Declaration, during the period of Declarant control, amendments of documents previously approved by the VA, must be subsequently approved by the VA.

7.3 Amendment of Declaration by Owners.

Except as otherwise provided in this Declaration, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed and any action may be taken at any time and from time to time upon approval of the amendment by Owners holding at least seventy-five percent (75%) of the voting power of the Owners entitled to vote. The approval of any such amendment or repeal shall be evidenced by a certification executed by the requisite number of Owners. The amendment shall be effective upon the recordation of a certificate, executed by the Declarant setting forth the amendment in full and certifying that the amendment or repeal has been approved by the Owners. Any amendment to the Declaration made hereunder shall be effective only when Recorded.

7.4 Notices.

Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail, telephone telecopier or telegraph. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Declarant and/or District for the purpose of service of such notice, or to the Lot of such Person if no address has been given to the Declarant and/or District and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Declarant and/or District.

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7.5 Violations Constitute a Nuisance.

Any violation of any provision, covenant, condition, restriction, and equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

7.6 Enforcement of Self-Help.

Declarant, or any authorized agent of it, may enforce, by self-help, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration, provided such self-help is preceded by notice and tearing.

7.7 Violations of Law.

Any violation of any federal, state, municipal, or local law, ordinance, rule, or regulation, pertaining to the ownership, occupation, or use of any property within the Community Area is hereby declared to be a violation of this Declaration and shall be subject to any and all enforcement procedures set forth in this Declaration.

7.8 Remedies Cumulative.

Each remedy provided' under this Declaration is cumulative and not exclusive.

7.9 Costs and Attorneys' Fees.

In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith including reasonable attorneys' fees.

7.10 Limitation on Liability.

The Design Review Committee, Declarant, and any Member, agent, or employee of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

7.11 Liberal Interpretation.

The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

7.12 Governing Law.

This Declaration shall be construed and governed under the laws of the State of Colorado.

7.13 Severability.

Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial validity or partial enforceability of the provisions or portion thereof shall not affect the validity or enforceability of any other provision.

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7.14 Number and Gender.

Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine, or neuter genders shall each include the masculine, feminine, and neuter genders.

7.15 Cautions for Convenience.

The titles, headings, and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

7.16 Mergers or Consolidations.

Upon a merger or consolidation of the District with another district, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated district or, alternatively, the properties, rights, and obligations of another district may, by operation of law, be added to the properties, rights and obligations of the District as a surviving corporation pursuant to a merger. The surviving consolidated district may administer and enforce the covenants, conditions, and restrictions established by this Declaration governing the Property, together with the covenants and restrictions established upon any other property, as one plan.

7.17 Disclaimer Regarding Safety.

DECLARANT HEREBY DISCLAIMS ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY AREA. ANY OWNER OF PROPERTY WITHIN THE COMMUNITY AREA ACKNOWLEDGES THAT DECLARANT IS ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN, AND IS NOT OBLIGATED TO DO ANY OTHER ACTS, WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY AREA.

7.18 NO REPRESENTATIONS OR WARRANTIES.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, SHALL BE DEEMED TO HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE COMMUNITY AREA, OR ANY IMPROVEMENT THEREON, ITS OR THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, UNLESS AND EXCEPT AS SHALL BE SPECIFICALLY SET FORTH IN WRITING IN A SEPARATE DOCUMENT.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

(Signature Page Follows)

FALCON PROPERTIES AND INVESTMENTS, LLP,
a Colorado limited liability partnership

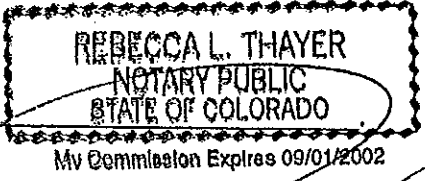
By: Laura J Lambert
Title: manager

STATE OF COLORADO)
COUNTY OF colorado)

The foregoing instrument was acknowledged before me this 15th day of March, 2002
by Laura Lambert, Manager of Falcon Properties and Investments, LLP

Witness my hand and official seal.

My commission expires: 9/1/02



[Signature]
Notary Public