DECLARATION

OF

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

COURTYARD AT KISSING CAMELS ESTATES FILING NO. 1 AND FILING NO. 1A
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
COURTYARD AT KISSING CAMELS ESTATES
FILING NO. 1 AND FILING NO. 1A

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

COURTYARD AT KISSING CAMELS ESTATES FILING NO. 1 AND FILING NO. 1A

THIS DECLARATION, dated for identification purposes only this 26th day of JUNE, 1995, is made by HILL DEVELOPMENT CORPORATION, a Delaware corporation, hereinafter "Declarant."

RECITALS:

A. Declarant is the owner of certain real property located in the City of Colorado Springs, El Paso County, Colorado more particularly described on Exhibit A, attached hereto (the "Property"). The Property has been platted as COURTYARD AT KISSING CAMELS ESTATES FILING NO. 1 AND FILING NO. 1A, City of Colorado Springs, El Paso County, Colorado.

B. The Property is contained within an area referred to as the "Corporate Area" in that certain "Certificate of Incorporation of Kissing Camels Property Owners' Association" (hereinafter "Master Association") filed of record with the Colorado Secretary of State on or about May 23, 1960.

C. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Property in conjunction with the overall development plan of the Corporate Area.

D. Declarant further desires to impose upon the Property mutually beneficial covenants, conditions, restrictions and easements under a general plan of improvement for the benefit of all owners of lots within the Property. This Declaration is therefore executed and recorded (a) in furtherance of the overall development plan of the Corporate Area; (b) in furtherance of a common and general plan for those parcels of land included within the Property; (c) to protect and enhance the quality, value, desirability and attractiveness of the Corporate Area and all property within the Property; (d) to provide for the Association (as hereinafter defined) to hold, maintain and manage certain common areas in the Property and to perform certain functions for the benefit of owners of lots within the Property; (e) to define the duties, powers and rights of said Association; and (f) to define certain duties, powers and rights of owners of lots within the Property.

ARTICLE 1 - DEFINITIONS

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

1.1 "Architectural Control Committee" shall mean and refer to the committee appointed by the Declarant or the Association to perform the functions of the Architectural Control Committee described in this Declaration.

1.2 "Assessment" shall mean an "Annual Assessment," "Special Assessment," or "Site Assessment," pursuant to Article 12, hereof.

1.3 "Association" shall mean and refer to the COURTYARD AT KISSING CAMELS ESTATES HOMEOWNERS' ASSOCIATION, INC., a Colorado nonprofit corporation.

1.4 "Association Documents" shall, with respect to the Association and the Master Association, respectively, mean and refer to the various operative documents of such Association, whether recorded or adopted at this time or as the same have been or may be amended, modified, supplemented or otherwise
changed from time to time, all of which are incorporated herein by this reference, and shall include the
following:

(a) any Articles of Incorporation of such Association;

(b) any Bylaws of such Association;

(c) any Declaration;

(d) any Plat; and

(e) any Rules and Regulations adopted by such Association.

1.5 "Association Properties" shall mean and refer to all real and personal property, together with
any and all Improvements or Structures now or hereafter thereto annexed and appurtenances and rights thereto,
hereafter owned by the Association or which the Association hereafter maintains, holds or uses for the
common use and enjoyment of all Members as provided herein and for other purposes as may be permitted
by this Declaration. Association Properties shall include the Common Area.

1.6 "Common Area(s)" shall mean and refer to all those areas contained in the recorded Plat of the
Property, as amended from time to time, and including the area designated Lot 19, whether within street
rights of way or otherwise, which are not separately owned by Owners of Lots.

1.7 "Corporate Area" shall mean and refer to the "Corporate Area" as defined in the Articles of
Incorporation of Kissing Camels Property Owners Association filed of record with the Colorado Secretary of
State on or about May 23, 1960.

1.8 "Declarant" shall mean and refer to HILL DEVELOPMENT CORPORATION, a Delaware
corporation, its successors and/or assigns.

1.9 "Declaration" shall mean and refer to this document, as amended from time to time.

1.10 "Dwelling Unit" shall mean and refer to a building which is constructed upon a Lot and
intended to be used as a private, single-family residence.

1.11 "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust
or other security instrument recorded in the records of the office of the Clerk and Recorder of El Paso
County, Colorado, pertaining to a Lot and having priority of record over all other recorded liens except those
governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

1.12 "First Mortgagee" shall mean and refer to any Person named as a mortgagee or beneficiary
under any First Mortgage, including any successor to the interest of any such Person under such First
Mortgage.

1.13 "Improvement" shall mean and refer collectively to any Dwelling Unit, Structure or
Landscaping, as those terms are defined herein, and shall include as well any, every and all other
improvements to the real property of any nature whatever, including, but not limited to, poles, signs, exterior
tanks, solar equipment and exterior plumbing, heating, ventilating, air conditioning or other utility fixtures.
The definition of "Improvement" shall also be deemed to include any excavation or fill the volume of which
exceeds two cubic yards, and any excavation, fill, ditch, diversion dam or other thing or device which affects
or alters the natural flow of surface waters upon or across any Lot, or which affects or alters the flow of any
waters in any natural or artificial stream, wash or drainage channel upon or across any Lot.

1.14 "Landscaping" shall mean and refer to the treatment of ground surface with live plant
materials, chips, crushed stone, decorative rocks, mulch materials, wood, hedges, windbreaks, plantings,
planted trees and shrubs, or other decorative surfacing materials approved by the Architectural Control Committee.

1.15 "Lot" shall mean and refer to each area designated as a Lot on the recorded Plat of the Property, as amended from time to time, and which is not owned by, or dedicated to, the Association. In the event the Declarant exercises its reserved right to amend this Declaration by the addition of all or any portion of the Development Parcels described in Article 11 hereof, "Lot" shall be deemed to include any additional "Lots" created or denominated as such in any Development Parcel.

1.16 "Lot Line(s)" shall be the same as defined in the zoning regulations of the City of Colorado Springs in effect from time to time. In the absence of such a definition, a front Lot Line is each boundary line (whether one or more) between the Lot and any public or private street providing the principal driveway access to the Lot. A side Lot Line is any boundary line which meets and forms an angle with a front Lot line, except that, for a corner Lot with two front Lot Lines, the side Lot Line is the boundary line which meets and forms an angle with the street that does not afford the principal driveway access to the Lot. A rear Lot Line is each boundary line (whether one or more) which meets and forms an angle with the end of a side Lot Line opposite the front Lot Line or exists between boundary lines which meet and form angles with the end of side Lot Lines opposite the front Lot Line.

1.17 "Master Association" shall mean and refer to the KISSING CAMELS PROPERTY OWNERS' ASSOCIATION, a Colorado nonprofit corporation.

1.18 "Member" shall mean a member of the Association who must also be an Owner. Membership in the Association shall be appurtenant to, and may not be severed from, ownership of a Lot.

1.19 "Owner" shall mean and refer to the record title holder, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including the Declarant and contract sellers, but excluding those having such interest merely as security for the performance of an obligation. "Owner" shall also be deemed to include, as applicable for enforcement of the terms and conditions of this Declaration, guests, invitees, family members, tenants, employees, agents or other persons who may from time to time be allowed on the Property at the request or invitation of the Owner or due to relationship or acquaintance with the Owner.

1.20 "Person" shall mean a natural person, a corporation, a partnership or any other public or private entity recognized as being capable of owning real property under Colorado law.

1.21 "Plat" shall mean the land survey plat of COURTYARD AT KISSING CAMELS ESTATES FILING NO. 1, A Replat of a Portion of Lot 13, Block 2, Kissing Camels Subdivision No. 2, and a Portion of Kissing Camels Subdivision No. 7, City of Colorado Springs, El Paso County, Colorado, recorded March 17, 1993, in Plat Book E-5 at Page 211, under Reception No. 2270293 of the records of El Paso County, Colorado ("Original Plat"), as amended by land survey plat of Courtyard at Kissing Camels Estates Filing No. 1A, A Replat of Lots 5, 6, 7 and 8, Kissing Camels Subdivision No. 1, City of Colorado Springs, El Paso County, Colorado, recorded August 16, 1993, in Plat Book E-5 at Page 276, under Reception No. 2337086 of the records of El Paso County, Colorado ("First Amendment to Plat"). Any reference to "Plat" hereina shall be deemed to include the Original Plat, the First Amendment to Plat, and any and all further amendments to either or both Plats. The Plat and First Amendment to Plat are attached hereto as Exhibit B.

1.22 "Property" shall mean and refer to that certain real property described on Exhibit A, attached hereto, and contained in the above-referenced recorded Plat of the Property, as amended from time to time.

1.23 "Related User" shall mean: (a) any Person who resides with an Owner within the Property; (b) a guest or invitee of an Owner; (c) an occupant, tenant or contract purchaser of any Dwelling Unit on a Lot; and (d) any family member, guest, employee, agent, representative, licensee, contractor, invitee or cohabitant of any of the foregoing Persons.
1.24 "Structure" shall mean and refer to any thing or device, other than Landscaping (as that term is defined herein), the placement of which upon any Lot (or the attachment of which to any Structure), might affect its architectural appearance including, by way of illustration and not limitation, any Dwelling Unit, building, outbuilding, porch, shed, greenhouse, play area or recreational apparatus, swimming pool, tennis court, flag pole, house number, mail box, exterior lighting, patio, deck, cover, awning, addition, walkway, patio, sprinkler pipe, garage, carport, road, driveway, parking area, fence, screening wall, retaining wall, stair, satellite dish, exterior lighting or other fixture.

ARTICLE 2 - PURPOSE

2.1 Purpose. Because of the unique setting of the Property within an urban area and within the boundaries of the Corporate Area, Declarant intends this Declaration to be a reasonable restriction upon the use of the Property and upon each Owner in order to accomplish the various purposes set forth herein including, but not necessarily limited to, the following:

(a) to preserve and enhance, now and in the future, the attractiveness, desirability and value of the Property, Lots and all Improvements made or placed thereon, as well as the attractiveness, desirability and value of all properties within the Corporate Area;

(b) to provide for an exclusive, secure, residential living environment existing compatibly with surrounding areas;

(c) to assure that all Improvements made or placed upon the Property are compatible with each other and with the surrounding areas and unique settings;

(d) to maintain common architectural themes and styles throughout the Property;

(e) to maintain a development for Owners who desire privacy and security; and

(f) to provide a process by which development and construction activities will have minimal effect upon the existing and anticipated surrounding neighborhoods.

ARTICLE 3 - DEDICATION

3.1 Dedication. Declarant, for itself, its successors and assigns, hereby declares that the Property shall, on and after the date this Declaration is recorded, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, easements, limitations, reservations, exceptions and other provisions set forth in this Declaration, all of which are declared to be a part of and in furtherance of a common and general plan of development, improvement, enhancement and protection of the Corporate Area and the Property. The provisions of this Declaration are hereby impressed and imposed upon the Property as an equitable servitude and are intended to, and shall, run with the land and, until their expiration in accordance with Section 17.13 hereof, shall bind, be a charge upon and inure to the mutual benefit of (a) all of the real property within the Property and each part or parcel thereof; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all other persons and entities having or acquiring any right, title or interest in any real property which is part of the Property or any part or parcel thereof or any Improvement thereon, and their encumbrancers, claimants, heirs, personal representatives, successors and assigns.

ARTICLE 4 - ARCHITECTURAL CONTROL

4.1 Composition of Architectural Control Committee. The Architectural Control Committee shall consist of no fewer than three (3) members appointed by the Board of Directors of the Association. A majority of the Architectural Control Committee may designate a representative to act for it. It shall be the
duty of the Architectural Control Committee, and it shall have the power, by the exercise of its best
judgment, to assure that all Improvements on the Property conform to the requirements of this Declaration.

4.2 Architectural Control. No Improvement shall be placed, erected, installed or permitted to
occur or exist on any Lot, nor shall the visible appearance of any existing Improvement be altered, nor shall
any construction or installation of any Improvement be commenced, unless and until all plans and
specifications for such Improvement have been submitted to, and approved in writing by, the Architectural
Control Committee. Matters which require the approval of the Architectural Control Committee include,
but are not limited to:

(a) the original construction, installation or erection of any Improvement;
(b) the demolition or destruction, by voluntary action, of any Improvement;
(c) any other grading, excavation, filling or similar disturbance to the surface of any Lot; and
(d) any change, alteration, reconstruction, renovation or expansion of any previously
constructed, installed or approved Improvements, including any change of Landscaping,
exterior appearance, finish material, color or texture of any Dwelling Unit or other
Structure or Improvement. Interior renovations to a previously-completed Dwelling Unit,
Structure or Improvement which do not change or alter the exterior appearance and which
are not otherwise restricted by the terms of this Declaration shall not require the approval
of the Architectural Control Committee.

4.3 Content of Plans. All building plans and specifications, architectural plans and specifications,
landscaping and/or grading plans and specifications, samples and other materials to be submitted to the
Architectural Control Committee shall be complete and submitted in duplicate. The minimum scale of all
plans shall be one-twentieth of an inch equals one foot. The plot plan shall show the location of all Dwelling
Units and Structures (plotted horizontally and vertically), drives, walks, walls, windbreaks, fences,
Landscaping and any other Improvements. Proposed new contours throughout the Lot and abutting street
elevations on all sides shall be shown as well. Plans for Dwelling Units and other Structures shall show all
exterior elevations, exterior design, style, height, building materials and color scheme thereof, and shall
indicate and locate on each elevation the materials to be used and designate each exterior color to be used
by means of actual color samples. If requested, a soils report for the Lot shall be supplied. Landscaping
and/or grading plans shall show the location of all landscaping elements, including grass, ground cover,
shrubs, trees and other landscape materials for the entire area of the Lot not to be covered by Improvements
or other Structures. The size (as planted and at maturity) and type of all new plant materials shall be
indicated. All plans, samples and other materials as may be requested by the Architectural Control
Committee shall be prepared, obtained and furnished at the sole cost and expense of the Owner.

4.4 Mandatory Approval of Plans: Approval Procedures.

4.4.1 In order to avoid unnecessary hardships, all Owners contemplating such construction,
reconstruction, remodeling, landscaping, planting or alteration shall submit in duplicate preliminary drawings
of the proposed work to the Architectural Control Committee in order to obtain tentative action thereon
before causing the preparation of detailed or complete drawings, plans or specifications, or incurring
substantial expense.

4.4.2 The Architectural Control Committee shall approve or disapprove requests, plans,
specifications, details and samples within thirty (30) days from delivery thereof to the Architectural Control
Committee in proper and complete form. One set of all plans, specifications and details, with the approval
or disapproval endorsed thereon, shall be returned to the person submitting same, and the other copy thereof
shall be retained by the Architectural Control Committee. In the event there is no action taken to approve
or disapprove such requests, plans, specifications, and details within thirty (30) days after the delivery thereof
to the Architectural Control Committee in proper and complete form, and no action has been instituted to
enjoin the performance of the proposed work, the provisions of this Section shall be deemed satisfied. The Architectural Control Committee shall maintain written records of all applications submitted and all action taken.

4.4.3 In approving or disapproving the requests, plans, specifications, details and samples submitted to it, the Architectural Control Committee shall take into consideration the design, style and construction of the proposed Improvement or alteration, its location on the Lot, the harmony of its design, architecture and location with the terrain and surrounding neighborhood and shall determine whether such proposed Improvement or alteration is consistent with the general terrain, the architecture of other Improvements located within the Property, and whether or not the construction or alteration of said Improvement will adversely affect or decrease the value of other Lots and/or Improvements located thereon because of its design, location, height or type of material used in construction. The Architectural Control Committee may make reasonable requirements of the Owner, including the submission of additional plans, to ensure conformance of such Improvement or alteration when erected with these restrictions and covenants and with the plans submitted and approved. The Architectural Control Committee may require such changes as may be necessary to conform to the general purposes herein expressed.

4.4.4 The Architectural Control Committee shall have authority to grant variances from the provisions of this Declaration in case of irregularly shaped Lots, unusual terrain, or other conditions wherein the strict enforcement of these restrictions would result in unusual hardship, or where required by practical necessity; provided, however, the granting thereof shall not be materially detrimental or injurious to the Property and shall not operate against the general intent and purpose of this Declaration. The Architectural Control Committee shall be the sole and exclusive judge of whether or not such hardship exists. The Architectural Control Committee shall, within sixty (60) days after its receipt of the request for the variance, determine whether to grant or deny the variance. If the Architectural Control Committee fails to act on the request for the variance within sixty (60) days, the variance shall be deemed denied. If a variance is denied, another application for a variance for the same Lot may not be made for a period of one (1) year.

4.4.5 Whenever the Architectural Control Committee disapproves of any request or any proposed plans, specifications details or samples, it shall state in writing its reason for such disapproval with sufficient explanation to guide the Owner in proposing changes or alterations in plans which will satisfy the objections of the Architectural Control Committee.

4.4.6 It is the intent hereof that the Architectural Control Committee shall exercise broad discretionary powers and that its decisions shall be final and conclusive, except for an arbitrary abuse of its discretion or an excess of its authority.

4.4.7 The Architectural Control Committee shall resolve all questions of interpretation hereunder, and this Declaration shall be interpreted in accordance with its general purpose and intent as herein expressed.

4.4.8 Neither the Declarant nor the Architectural Control Committee, nor any architect or agent of the Declarant or Architectural Control Committee, shall be responsible or liable in any way for any effects in any requests, plans, specifications, details or samples submitted, revised or approved in accordance with the foregoing, nor for any structural or other defects in any work done according thereto.

4.4.9 Neither Declarant, nor any other entity acting as the Architectural Control Committee, nor any member thereof, shall be liable in damages or otherwise to anyone submitting plans to them for approval or requesting a variance, or to any Owner by reason of mistake in judgment, negligence, nonfeasance or any act or omission in connection with the approval, disapproval or failure to approve any plans, specifications or variance. Approval by the Architectural Control Committee shall not mean that plans and specifications are in compliance with the requirements of any local building codes, zoning ordinances or other governmental regulations, and it shall be the responsibility of the Owner or other person submitting plans to the Architectural Control Committee to comply with all codes, ordinances and regulations.
4.4.10 The Architectural Control Committee may charge reasonable fees to cover expenses incurred in review of plans, samples and materials submitted pursuant to this Declaration, not including reimbursement or compensation to the members of the Architectural Control Committee for their services.

4.4.11 Approvals of all plans and specifications for an Improvement will automatically expire within one (1) year after approval, and if approval so expires, the applicant must resubmit a request for approval of the Improvement.

ARTICLE 5 - RESTRICTIONS ON DESIGN AND CONSTRUCTION

5.1 General Restrictions. Architectural, design and construction standards are established and imposed to the end that the Property may benefit from the natural advantages of its particular location. While the standards for architectural style are flexible in that variances may be granted under proper circumstances, compatibility of the development of the Corporate Area as a whole, and compatibility of design within the Property, are of foremost importance.

5.2 No Subdivision of Lots. No more than one Dwelling Unit shall be erected or maintained within any Lot. No Lot shall be replatted or otherwise subdivided.

5.3 Uses. All Lots in the Property shall be used exclusively for private residential purposes. No Dwelling Unit erected or maintained within the Property shall be used or occupied for any purpose other than for a private, single-family dwelling. No business, profession or other commercial enterprise of any nature shall be conducted on any Lot or in any Dwelling Unit, Structure or other Improvement located thereon, except a "home office" activity conducted in accordance with the terms and conditions of this section and any further or substitute rules or regulations which may be adopted by the Architectural Control Committee. A "home office" activity is a secondary or incidental use of a Dwelling Unit in the nature of a professional or business office. A home office activity may be conducted from a Dwelling Unit, provided the following requirements are satisfied:

(a) only a service business shall be permitted to be conducted from a home office, and no sale of goods, supplies, inventory or other products shall be permitted;

(b) such activity shall be clearly incidental or secondary to the use of the Dwelling Unit for residential purposes, and the use of the Dwelling Unit for such purposes shall not cause or result in any visual or other essential change in the residential character of the Property;

(c) such activity shall be conducted only by a person or persons residing at the Dwelling Unit and only so long as contained entirely within the Dwelling Unit;

(d) the total area of the Dwelling Unit used for such activity shall not exceed twenty percent (20%) of the minimum square feet of heated floor area devoted to living purposes nor more than seven hundred (700) square feet;

(e) the operation of a home office activity shall not result in the elimination of the Dwelling Unit's kitchen or all of its bedrooms;

(f) there shall be no advertising of the home office activity visible outside of the Dwelling Unit;

(g) the home office activity will ordinarily not bring more than one client or customer to the Dwelling Unit at any one time;

(h) the home office activity will be conducted in compliance with all building, fire, health and environmental laws, codes and regulations;
no activity associated with the home office activity shall be allowed which results in detrimental visual impact upon the surrounding neighborhood; and

any mechanical, electrical or electronic machinery or equipment used in the home office activity must be operated in a fashion so that no noise, vibration, glare, fumes, odors, heat or electrical interference are detectable to the normal senses beyond the boundary line of the Lot, and in no case shall any equipment be allowed which involves the use of hazardous, explosive or highly flammable substances or which produces hazardous, explosive or highly flammable wastes or products.

5.4 Improvements. No Improvement shall be erected on any Lot except one single-family (excluding bona fide household help) Dwelling Unit and other Improvements which have been approved by the Architectural Control Committee. Other than a Dwelling Unit, no Improvement, trailer, tent or other similar or dissimilar temporary quarters may be used for living purposes. No Improvement may be placed on any Lot before completion of the Dwelling Unit upon such Lot except with the permission of the Architectural Control Committee.

5.5 Rentals. No room or rooms in, or a portion of, any Dwelling Unit or any other Improvement on any Lot may be rented or leased and no paying guests shall be quartered in any Dwelling Unit. Nothing contained in this provision, however, shall be construed as preventing the renting or leasing of an entire Lot, together with its Dwelling Unit or other Improvements, as a single unit to a single family.

5.6 No Separate Estates. Ownership of a Lot shall never be separated from ownership of any Improvement placed thereon.

5.7 Temporary structures. No temporary house, trailer, tent, camping quarters, barn, treehouse, garage, outbuilding or other temporary structure shall be placed or erected upon any Lot. No Dwelling Unit or other Structure or Improvement placed or erected on any Lot shall be occupied in any manner at any time during the course of original construction prior to its being fully completed in accordance with approved plans (as hereinafter provided) and until made to comply with all requirements, conditions and restrictions herein set forth; provided, however, during the actual construction or alteration of a Dwelling Unit or other Structure or Improvement on any Lot, necessary temporary buildings for administration of construction and storage of materials may, with the consent of the Architectural Control Committee be used, erected and maintained by the contractor doing such work, so long as the same are promptly removed upon completion of construction.

5.8 Construction Type. All construction shall be new. No building previously used at another location, nor any building or Improvement originally constructed as a mobile dwelling or manufactured housing, may be moved onto a Lot except as expressly provided herein for temporary construction buildings. All Dwelling Units or other Structures and Improvements shall be constructed, repaired and renovated in conformance with applicable building codes and regulations.

5.9 Material Storage. No building materials shall be stored on any Lot except temporarily during continuous construction of a Dwelling Unit or other Structure or Improvement.

5.10 Completion of Work. All construction work shall be prosecuted diligently and continuously from the time of commencement until fully completed. The exterior of all Dwelling Units or other Improvements must be completed within one (1) year after the commencement of construction except where such completion is impossible or would result in great hardship due to strikes, fires, national emergency or natural calamities. For purposes of this Section, "commencement of construction" of a Dwelling Unit is defined as the obtaining of necessary building permits and the excavation of earth for a foundation, and for all other Improvements is defined as the undertaking of any visible exterior work. If construction is not completed within one (1) year after commencement, or if construction shall cease for a period of sixty (60) days without permission of the Architectural Control Committee, the Architectural Control Committee will give the Owner thereof written notice of such fact. If construction on such Improvement is not thereafter
5.11 Construction Debris. Construction debris may not be dumped or left within the Property. During the period of construction of a Dwelling Unit or other Improvement on a Lot, the Owner of the Lot or his contractor shall control dirt and dust, keep surrounding properties and streets reasonably clean and keep construction debris confined in a trash receptacle. All construction debris which is blown by the wind onto nearby properties or streets shall be collected and placed in the trash receptacle on a daily basis. Trash shall be removed from the Lot at least once a week during the construction period. Contractors, subcontractors and construction personnel shall have the right to enter upon unimproved Lots and the Common Area to pick up and retrieve construction debris, but shall not enter upon any improved Lot for such purpose without the express permission of the Owner of such Lot.

5.12 Trees and Boulders. No trees, surface boulders, or natural vegetation, or other surface feature of a Lot shall be removed from any Lot, except those that would unreasonably interfere with the actual construction of a Dwelling Unit. Each tree removed shall be replaced with a tree or trees of similar size, unless otherwise approved by the Architectural Control Committee.

5.14 Underground Utilities. All utilities, including electric, cable television, radio and telephone transmission lines, but excluding lighting standards and customary service devices for access, control or use of utilities as permitted by the Architectural Control Committee, shall be installed underground. No overhead utility lines shall ever be installed or maintained on any portion of the Property except during the construction of a Dwelling Unit when the contractor or builder may install a temporary overhead utility line which shall be promptly removed upon completion of construction.

5.15 Driveways. All driveways and off-street parking areas shall be improved with hard-surface paving or concrete.

5.16 Compliance with Setback Requirements and Other Requirements of Zoning, Building and Subdivision Regulations. All Dwelling Units and other Improvements shall be constructed and located in such a manner as to comply with all setback requirements imposed by zoning ordinance or conditions attached to Development Plan or Plat approval, as amended from time to time, and as shown on the Development Plan attached as Exhibit E. If, upon completion of construction, it is disclosed by survey that a minor violation or infringement of a setback line(s) has occurred, such violation or infringement shall be deemed waived by Owners of Lots within the Property. Any architectural feature of a Dwelling Unit or window wells as required for finished living areas in basements are permitted to encroach into the five-foot (5') side Lot Line setback. Nothing herein contained shall prevent the prosecution of a suit for any other violation of the restrictions contained in this Declaration. A "minor violation" for the purpose of this provision is a violation of not more than one (1) foot beyond the required setback lines. This provision shall apply only to original construction and shall not be applicable to any alterations or repairs. All construction must also conform to the building code, zoning code and subdivision regulations of the City of Colorado Springs, which regulations may vary from the provisions of this Section and other provisions of this Declaration.
5.17 Styles of Dwelling Units. All Dwelling Units constructed on the Lots shall be of a style approved by the Architectural Control Committee as being consistent with the design theme of the Property as well as surrounding residential areas contained within the Corporate Area.

5.18 Garages. Every Dwelling Unit constructed on any Lot shall include a two-car fully enclosed garage which must be either attached to the Dwelling Unit as an integral part thereof or attached thereto by arbor or breezeway and conforming to the architectural design of the Dwelling Unit. Garage doors shall be wood or wood composition (or other material approved by the Architectural Control Committee) of a compatible design, and shall be equipped with automatic garage door openers with remote control operating devices.

5.19 Kitchens. No more than one room in each Dwelling Unit may contain kitchen facilities, except where permitted by the Architectural Control Committee as a "wet-bar" area or as part of a den, playroom or entertainment area.

5.20 Foundation Elevation, Grading and Drainage. The elevation of the top of the foundation of any Dwelling Unit built, erected or placed upon any Lot, as well as the finished grading and drainage patterns, shall be as approved by the Architectural Control Committee.

5.21 Minimum Sizes of Dwelling Units. All Dwelling Units shall contain a minimum of two thousand (2,000) square feet of heated floor area devoted to living purposes (i.e., exclusive of roofed or unroofed porches, patios, terraces, basements or garages).

5.22 Construction Standards. All Dwelling Units and other Structures and Improvements shall conform to material and appearance standards approved by the Architectural Control Committee.

5.23 Rebuilding or Restoration. Any Dwelling Unit or other Structure or Improvement which may be destroyed in whole or in part by fire, windstorm or from any other cause or act of God must be promptly rebuilt or all debris must be removed and the Lot restored to a sightly condition, such rebuilding, restoration or renewal to be completed with reasonable promptness in accordance with the terms and conditions of the Association Documents and in any event within six (6) months from the time the damage occurred.

5.24 Antennae and Satellite Dishes. All aerial masts, antennae, satellite dishes and similar equipment is prohibited.

5.25 Walls and Fences. No wall, fence, coping or screening shall be used as a perimeter property line designation. Walls, copings, fences and screening not exceeding six feet (6') in height (measured from the adjoining ground surface inside the wall) shall be allowed only with the approval of the Architectural Control Committee and only if for purposes of privacy and as an architectural component of the Dwelling Unit itself. No wall, coping, fences, hedges or plantings (other than grass) will be permitted on any street frontage beyond the setback line unless permission is granted by the Architectural Control Committee.

ARTICLE 6 - USE, MAINTENANCE AND LIVING ENVIRONMENT STANDARDS

6.1 Maintenance by Owners. Each Owner shall be required to perform repair, replacement and maintenance activities with respect to such Owner's Lot and Structures, Improvements and Landscaping installed or existing on such Owner's Lot not otherwise the responsibility and obligation of the Association as provided in Article 8 of this Declaration. A Lot Owner shall not paint, restain or otherwise engage in maintenance of items which are the maintenance responsibility of the Association, without the prior written approval of the Architectural Control Committee. If an Owner fails to properly perform maintenance activities which are the responsibility of such Owner, Declarant or the Architectural Control Committee (acting by and through the Association) may, after giving thirty (30) days' prior written notice, effect such repairs and maintenance as it deems necessary in its judgment to maintain the standards of the Property. Entry to effect such repairs and maintenance shall not be deemed a trespass and the Owner shall be liable for all costs incurred in connection with the repairs and maintenance.
6.2 Unsightly Conditions. Each Lot at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other materials shall be permitted to remain exposed upon any Lot so as to be visible from any nearby properties or streets, except as necessary during a period of construction and as permitted hereunder.

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

6.4 Maintenance Equipment. All maintenance equipment shall be stored in an enclosed building or otherwise adequately screened so as not to be visible from nearby properties or streets.

6.5 Clotheslines. No outdoor clothes poles, clotheslines and other facilities for drying or airing of clothing or household goods shall be placed on any Lot.

6.6 Swingsets, Playhouses and Play Areas. No recreational structure, playhouse, swingset, jungle gym, slide or other similar apparatus shall be constructed or placed upon any Lot.

6.7 Refuse. No unsightly objects or materials, including but not limited to ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material or other refuse, or receptacles or containers therefor, shall be stored, accumulated or deposited outside or so as to be visible from any nearby properties or streets, except during refuse collections.

6.8 Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No offensive or hazardous activities may be carried on within any Lot or in any Dwelling Unit. No annoying lights, sounds or odors shall be permitted to emanate from any Lot or Dwelling Unit.

6.9 Sound Devices. No exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Improvement or within any Lot without the prior approval of the Architectural Control Committee.

6.10 Exterior Lighting. All exterior lighting installed on any Lot shall either be indirect or of such control, focus and intensity so as to not disturb the occupants of residences on nearby properties.

6.11 Landscaping. Within six (6) months after completion of a Dwelling Unit or other Structure or Improvement, or within any extension of that period granted by the Architectural Control Committee, all yards and open spaces, except as prevented by subsequent construction activities, shall be landscaped and thereafter maintained in lawn or landscape. Landscape should include areas of natural vegetation, and preservation of existing trees, scrub oak and other natural vegetation is intended. No existing trees, surface boulders, or scrub oak shall be removed from any Lot unless required by construction activity and unless approved by the Architectural Control Committee. The use of gravel and small rocks as landscaping materials is not desirable and only will be permitted by the Architectural Control Committee in very limited quantities.

6.12 Weeds. Each Lot shall at all times be kept free from weeds and other unsightly growth and plants or weeds infected with noxious insects or plant diseases (including mistletoe and pine beetle) and from weeds which are likely to cause the spread of infection or weeds to neighboring property and free from brush or other growth or trash which causes undue danger of fire.

6.13 Mowing and Pruning. In order to effect insect, weed and fire control and to prevent and remove nuisances, the Owner of any Lot upon which a building has not been constructed shall mow, cut, prune, clear and remove from the premises unsightly brush, weeds and other unsightly growth and shall remove any trash which may collect or accumulate on the Lot.
6.14 Transmitters. No electronic or radio transmitter of any kind other than garage door openers and remote control devices for televisions, stereos, video cassette recorders and similar equipment shall be operated in or on any Improvement or Lot.

6.15 Animals. No animals, except an aggregate of two (2) domesticated dogs, cats or other bona fide domesticated pets, shall be permitted on any Lot, excepting fish or domesticated birds which may be kept in greater numbers. No animal of any kind shall be permitted which makes an unreasonable amount of noise or odor or otherwise is a nuisance to neighbors or the neighborhood. No animal shall be kept, bred, or maintained within the Property for any commercial purposes. All animals must be on a leash or under Owner control at all times when outside of the Owner’s fenced area. Animals shall not be permitted to run loose. If an animal should run loose, the Owner thereof shall be responsible for all costs associated with the animal being picked up or brought under control. In the event of repeated and willful violations by an Owner, the Association may permanently restrain and enjoin the Owner from keeping said animal on the Owner’s Lot. No dogs or other pets shall be chained or enclosed on a Lot outside of the Dwelling Unit, except the Architectural Control Committee, in its sole discretion, may approve dog runs or enclosures, subject to the provisions of Section 5.25.

6.16 Vehicles.

6.16.1 The Association may impose reasonable regulations upon the driving, parking and other conduct or use of motor vehicles within the Common Area.

6.16.2 No motor vehicle, boat, trailer (whether for boating, camping, hauling or otherwise), camper (on or off supporting vehicle), tractor, commercial vehicle, mobile home, house trailer, recreational vehicle, motor home, self-contained motorized vehicle, off-road vehicle, motor-driven cycle, towed trailer unit, shall be stored or parked overnight on any street or within any Lot (except in a completely enclosed building such as a garage).

6.16.3 Parking on the private streets within the Property shall be allowed subject to the foregoing restrictions so long as the vehicle is parked only temporarily in connection with a social function or while engaged in actual transportation or delivery to or from a Lot or Dwelling Unit.

6.17 Inoperative Vehicles. No unused, stripped down, partially wrecked or inoperative motor vehicle or part thereof shall be permitted to be parked on any street or on any Lot in such a manner as to be visible at ground level from any nearby property or street, unless fully screened in a manner approved by the Architectural Control Committee. An unused vehicle shall be any vehicle which is not properly licensed or registered or has remained immobile for more than a week as determined by the Association.

6.18 Vehicle Repairs. No maintenance, servicing, repair, dismantling, sanding or repainting of any type of vehicle/boat, machine or device may be carried on except within a completely enclosed Improvement which screens the sight and sound of the activity from nearby property and streets.

6.19 Inflammables. No Owner shall use or permit to be brought into or stored on any Lot any inflammable oils or fluids such as gasoline, kerosine, naphtha or benzene in large enough quantities to be deemed hazardous to life, limb or property.

6.20 Fuels; Incinerators; Barbecues. No coal or other type of fuel which gives off smoke shall be used for heating, cooking or any other purpose; provided, however, the foregoing restriction shall not be deemed to apply to the occasional burning of wood in a fireplace or charcoal or other fuel in a barbecue. No trash or garbage shall be burned on the premises except in approved incinerators located indoors. No barbecue or other outdoor cooking pit shall be located nearer to another Lot line than any setback line.

6.21 Storage Tanks. No elevated tanks of any kind shall be erected, placed or permitted upon any part of a Lot. Any tanks for use in connection with any Dwelling Unit constructed on a Lot, including tanks for the storage of gas, or oil, must be below ground.
6.22 Signs. The only signs permitted on any Lot or Improvement shall be:

(a) signs for identification of the Property as a whole installed by, or with the permission of, Declarant;

(b) signs as may be necessary to advise of rules and regulations or to caution or warn of danger or give direction;

(c) signs as may be required relating to the marketing of Lots by the Declarant through the use of model homes or otherwise; and

(d) such other signs as may be required by law.

Except for permitted signs, there shall not be used or displayed on any Lot or Improvement, any signs or any banners, streamers, flags, lights or other devices calculated to attract attention in aid of sale or rental. All permitted signs must be professionally painted, lettered and constructed and shall be placed only on the Lot to which they pertain.

ARTICLE 7 - ASSOCIATION MEMBERSHIP

7.1 Courtyard at Kissing Camels Estates Homeowners' Association. The Association has been formed as a Colorado corporation under the Colorado Nonprofit Corporation Act. The Association shall have the duties, powers and rights set forth in the Association Documents. As more specifically set forth hereinafter, the Association shall have a Board of Directors to manage its affairs. The Board of Directors shall be elected by its Members; provided, however, the Declarant shall have the sole right to appoint a majority of the members of the Board of Directors for the period of time provided in Section 7.5, below.

7.2 Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The number, terms of office and qualifications of the members of the Board of Directors shall be fixed in the Articles of Incorporation and Bylaws of the Association. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers of the Association or to agents and employees of the Association, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for the management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized committee, officer, agent or employee without a vote of Members, except as otherwise specifically provided in this Declaration or by Colorado law. All lawful decisions, agreements and undertakings by the Board, or its authorized representatives, shall be binding upon all Members, Owners, Related users and other Persons.

7.3 Membership in Homeowners' Association. Each Owner shall be a Member of the Association. An Owner shall automatically be the holder of the membership appurtenant to such Owner's Lot, and the membership shall automatically pass with fee simple title to the Lot. Declarant shall hold one membership in the Association for each Lot owned by Declarant. Membership in the Association shall not be assignable separate and apart from fee simple title to a Lot, except that an Owner may assign some or all of the Owner's rights as an Owner and as Member of the Association to a contract purchaser, tenant or First Mortgagee, and may arrange for such Person to perform some or all of such Owner's obligations as provided in this Declaration, but no such delegation or assignment shall relieve an Owner from the responsibility for fulfillment of the obligations of an Owner under the Association Documents. The rights acquired by any such contract purchaser, tenant or First Mortgagee shall be extinguished automatically upon termination of the First Mortgage, sales contract or tenancy. The assignment of rights by an Owner pursuant to this Section shall not be subject to any present or future statutory time limit for the duration of duly notarized proxy rights, but shall be in writing, and delivered to the Association before such Person shall be entitled to exercise any membership rights or privileges. All rights, title and privileges of membership shall be subject to the Association Documents.
7.4 Voting Rights of Members. Members shall have the right to cast votes for the election of members of the Board of Directors and on such other matters as may be required by law or referred to a vote of members by the Board of Directors of the Association as provided in the Association Documents. One vote is allocated to each Lot and Members shall have one vote for each Lot owned. If more than one Person is the Owner of a Lot, the vote allocated to that Lot may be divided fractionally among the Owners in any manner they agree upon, or equally among them if they are unable to agree; provided, however, that not more than one vote may be cast for any one Lot. Voting rights and procedures may be further defined in the Association Documents. Notwithstanding the foregoing, Declarant hereby reserves the right as set forth in Section 7.5, below, to appoint and remove all officers and directors of the Association for the period described in Section 7.5.

7.5 Declarant’s Reserved Right to Appoint Officers and Directors. Subject to Section 7.6, below, the Declarant hereby reserves the right to appoint and remove all officers and directors of the Association at all times subsequent to the date of recordation of this Declaration, which right shall terminate upon the occurrence of the first to occur of the following events:

(a) by written notice from the Declarant to the President or Secretary of the Association of the Declarant’s intent to terminate its right to appoint the majority of the members of the Board of Directors; or

(b) upon the date which is sixty (60) days after conveyance of 75% of the Lots that may be created to Owners other than Declarant; or

(c) two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business; or

(d) two (2) years after the expiration of Declarant’s reserved right to add additional property to the terms of this Declaration.

7.6 Limitations on Declarant’s Reserved Right to Appoint Officers and Directors. The Declarant’s reserved right to appoint and remove officers and directors of the Association shall be limited as follows:

(a) Not later than sixty (60) days after conveyance of 25% of the Lots that may be created to Owners other than Declarant, at least one member (and not less than 25% of the members) of the Board of Directors of the Association must be elected by Lot Owners other than Declarant; and

(b) Not later than sixty (60) days after conveyance of 50% of the Lots that may be created to Owners other than Declarant, not less than 33 1/3% of the members of the Board of Directors of the Association must be elected by Lot Owners other than Declarant.

ARTICLE 8 - DUTIES AND POWERS OF ASSOCIATION

8.1 General Duties and Powers of Association. The Association has been formed to further the common interests of the Members. The Association, acting through the Board or representatives to whom the Board has delegated such powers, shall have the duties and powers given non-profit corporations, including without limitation those hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve and enhance the Property, and to improve and enhance the attractiveness, desirability and safety of the Property. The Association shall have and may exercise all powers available under Colorado law. Except as expressly otherwise provided in the Association Documents or by Colorado law, the Association shall act through its Board of Directors, without the vote or meeting of the Members, and the Board may exercise all rights, powers and interests of the Association, as described in this Article or elsewhere in the Association Documents.
8.2 **Duty to Accept Property and Facilities Transferred by Declarant.** The Association shall accept title to any property, including without limitation any Improvements thereon, any easement or other right, and personal property transferred to the Association by Declarant or by any third party with Declarant’s permission, and equipment related thereto, together with the responsibility to perform any and all Association functions associated therewith, provided that such property and functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests and contractual rights or licenses to use property. Any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration. No representation, express or implied, is made that the Declarant will or will not transfer property to the Association.

8.3 **Duty to Manage and Care for Association Properties Generally.** The Association shall manage, operate, care for, maintain and repair all Association Properties (whether real or personal property) and keep the same in an attractive and desirable condition for the use and enjoyment of the Members; provided however, maintenance responsibilities for any Association Properties shall not commence until Assessments commence. In addition, the Association may operate, maintain and repair property other than Association Properties, if some or all of the Members will benefit thereby.

8.4 **Duty to Maintain Common Area and Certain Improvements and Landscaping on Lots.**

8.4.1 The Association shall maintain all Improvements and Landscaping within the Common Area to the standards set forth in this Declaration, and shall cause the same to be maintained, repaired or replaced on a timely basis as required to maintain a neat and attractive appearance of the Property. The foregoing maintenance obligation shall include sprinkler systems, roadways and sidewalks (including snow removal), utility lines (to the extent not maintained by utility companies), outdoor lighting fixtures, electrical fixtures, fences and other items existing in the Common Area.

8.4.2 The Association shall also maintain all roofs, gutters, downspouts and exterior surfaces of Dwelling Units, mail boxes, driveways, sidewalks (including snow removal) and Landscaping on Lots, to the standards set forth in this Declaration, and shall cause the same to be repainted, repaired or replaced on a timely basis as required to maintain a neat and attractive appearance of the Property. The foregoing maintenance obligations shall not include structural items, glass, screens and exterior light fixtures attached to a Dwelling Unit or located on a Lot, nor the cleaning of sidewalks and driveways contained within an Owner’s Lot (unless necessitated by other maintenance activities of the Association), patio or deck areas, nor the maintenance of any special plantings (plantings outside of the normal landscaping package originally provided by the Declarant) installed by the Owner, the latter to be installed only with the approval of the Architectural Control Committee.

8.5 **Duty to Pay Taxes.** The Association shall pay all taxes and assessments levied upon the Association Properties owned by the Association and all other taxes and assessments payable by the Association. The Association shall have the right to contest any such taxes or assessments provided that the Association shall contest the same by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment, and provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful. The Association may maintain a tax reserve fund for payment of any taxes, including additional taxes which could be incurred as a result of an adverse ruling on any position taken by the Association.

8.6 **Duty to Maintain Insurance.** The Association shall obtain and keep in full force and effect at all times property and general liability insurance coverage in accordance with Article 10 of this Declaration and as otherwise required by Colorado law.
8.7 Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as elsewhere provided in this Declaration.

8.8 Power to Acquire and Maintain Property and Construct Improvements. The Association may acquire property or interests in property for the common benefit of Owners, including Improvements and personal property. The Association may construct or reconstruct Improvements on property and may demolish existing Improvements. The Association shall have the power to maintain public or private rights of way and to perform maintenance on any portion of the Property, whether or not owned by the Association.

8.9 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce such Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration and matters related thereto, the operation of the Association, the use and enjoyment of Association Properties, and the use of any other property within the Properties, including Lots. Any such Rules and Regulations shall be reasonable and uniformly applied as determined by the Board in its sole discretion. Rules and Regulations shall be effective upon adoption by resolution of the Board of Directors. Written notice of the adoption, amendment or repeal of any Rule or Regulation shall be provided to all Members by the Association, and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the copying cost. Each Owner, Related User, Member and other Person shall comply with such Rules and Regulations and shall see that Related Users of such Member comply with the Rules and Regulations. Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

8.10 Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of the Association Documents, and shall take such action as the Board deems necessary or desirable to cause compliance by each Member, other Person, and Related Users of each Member. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of the Association Documents by any one or more of the following means: (a) by entry upon any property within the Property after any notice and hearing required by the Bylaws or otherwise, if any (unless a bona fide emergency exists), without liability to the Owner or occupants thereof, for the purpose of enforcement of or causing compliance with the Association Documents; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of the Association Documents, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of the Association Documents; (d) by exclusion, after any notice and hearing required by the Bylaws or otherwise, if any, of any Member, Related User or other Person from use of any Association Properties (or other properties which such Member, Related User or other Person is entitled to use by virtue of being an Owner or Member) during any period not to exceed sixty (60) days as a penalty for any breach of the Association Documents by an Owner, Member, Related User or other Person, unless the breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues; (e) by suspension, after notice and hearing required by the Bylaws or otherwise, if any, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of such Member of the Association Documents, unless the breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after notice and hearing required by the Bylaws or otherwise, if any, unless the violation consists of failure to pay any Assessment, in which case notice and hearing shall not be required, a Site Assessment against any member for breach by the Member or a Related user of such Member of the Association Documents; (g) by levying and collecting, after any notice and hearing required by the Bylaws or otherwise, if any, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member, related User or other Person for breach by such Member, Related User or other Person of the Association Documents; (h) by performing any duty of any Member, Related User or other Person or correcting any violation or breach of the Association Documents and obtaining, upon demand, reimbursement for all expenses related thereto as a Site Assessment, and (i) by exercising any right or remedy permitted by law or in equity.
8.11 Power to Provide Special Services. The Association shall have the power to provide special services beyond this Declaration to a Member or group of Members and any services to any other Person. Any such service or services shall be provided pursuant to an Agreement in writing, or through one or more amendments to this Declaration, which shall provide for payment to the Association by such Member or group of Members or other Persons of the costs and expenses which the Association estimates it will incur in providing such services, including a fair share of the overhead expenses of the Association, and shall contain provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors and assigns of the Member or group of Members or other Persons, and may be collected in the same manner as a Site Assessment, or, if the written agreement so provides, in installments as part of the Assessments or may be collected in any manner permitted by law or statute or the Association Documents.

8.12 Power to Operate and Charge for Facilities. The Association shall have the power to acquire, create, own and operate any and all facilities and services as it deems appropriate, including, without limitation, landscape maintenance and refuse collection, or any other similar or dissimilar function, and to establish charges for the use of facilities and services. The charges may include admission, rental or other fees and charges for any use of property, facilities, or services of the Association. Such charges or fees shall be as determined from time to time by the Board of Directors.

8.13 Power to Grant Easements. The Association shall have the power to grant access, utility, drainage, water facility and any other easements in, on, over or under Association Property for any lawful purpose, including, without limitation, the provision of emergency services, utilities, telephone, television or other uses or services to some or all of the Members.

8.14 Power to Employ Managers. The Association shall have the power to retain and pay for the services of a manager or managers to undertake any of the management of any functions for which the Association has responsibility under this Declaration to the extent deemed advisable by the Association, and may delegate any of its duties, powers or functions to the manager. Any contract or agreement with a manager shall be terminable by the Association for cause on no more than thirty (30) days’ prior written notice, and shall be terminable by the Association without cause and without payment of a termination fee on no more than ninety (90) days’ prior written notice. No such contract or agreement shall be for a term of more than one (1) year. Notwithstanding any delegation to a manager of any duties, powers or functions of the Association, the Association and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, power and functions. In addition to a manager, the Association may employ and pay a consultant, which may be Declarant, an affiliate of Declarant, or a third party, to assist in operating and managing the Association after the Declarant’s reserved rights under Section 7.5 terminate.

8.15 Power to Engage Employees, Agents and Consultants. The Association shall have the power to hire and discharge employees and agents (except as otherwise provided in management contracts) and to retain and pay for such legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under the Association Documents.

8.16 General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Colorado Nonprofit Corporation Act and all powers contained in Section 302 of the Colorado Common Interest Ownership Act, Section 38-333.3-302, Colorado Revised Statutes, subject to any limitations, restrictions, or requirements expressly set forth in the Association Documents.

8.17 Other Powers. The Association shall have the power to regulate the days and hours during which trash and solid waste may be collected or put out for collection in any portion of the Property, and the Association may require all Owners to use a common trash collection company or entity selected by the Board. The Association shall also have the power to provide services for the collection of trash and solid waste within all or any portions of the Property. The Association shall have the power, but not any duty, to
spor or conduct various community activities or special events of a social or recreational nature, to hire
and provide a security or courtesy patrol, which shall be unarmed and shall not be a substitute for the
municipal police, and to provide general informational services which may include, without limitation,
community newsletter, radio broadcast, cable television services and similar services.

ARTICLE 9 - ASSOCIATION PROPERTIES

9.1 Right of Association to Regulate Use. To the extent the Association hereafter owns, holds or
has property, the provisions of this Article shall apply. The Association, acting through the Board, shall have
the power to regulate use of Association Properties by Members to enhance further the overall rights of use
and enjoyment of all Members, including without limitation, imposing limits on the times of use and numbers
of guests permitted to use Association Properties.

9.2 Property that Must Be Conveyed. No later than thirty (30) days after Declarant transfers the
last Lot in the Property to an Owner other than Declarant, Declarant shall convey to the Association all
tracts of land owned by Declarant and identified on the Plat or any supplemental Plat as Common Area or
Association Properties.

9.3 No Partition of Association Properties. No Owner shall have the right to partition or seek
partition of the Association Properties or any part thereof.

9.4 Liability of Owners for Damage. Each Owner shall be liable to the Association for any
damage to Association Properties or for any expense or liability incurred by the Association, to the extent
not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such
Owner or a Related User of the owner, and for any violation by such Owner or Related User of the
Association Documents. The Association shall have the power, as elsewhere provided in this Declaration, to
levy and collect a Site Assessment against a Member, Owner, Lot, Related User, or other Person to cover
the costs and expenses incurred by the Association on account of any such damage or any such violation of
the Association Documents, including without limitation, interest, costs, expenses and attorneys’ fees, or for
any increase in insurance premiums directly attributable to any such damage or violation.

9.5 Damage to Association Properties. In the event of damage to or destruction of all or a portion
of the Association Properties due to fire or other adversity or disaster, the insurance proceeds, if sufficient to
reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If
the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct
the damage or destruction, then the Association shall levy a Special Assessment in the aggregate amount of
such insufficiency pursuant to this Declaration and shall proceed to make such repairs or reconstruction,
unless the Owners and First Mortgagees agree not to repair and reconstruct such damage in accordance with
the terms and provisions of this Declaration. If insurance proceeds available to the Association on account
of damage or destruction exceed the cost of repair, reconstruction or replacement, the Association may use
the excess for future maintenance, repair and operation of and improvements to Association Properties.


9.6.1 If proceedings are initiated by any government or agency thereof seeking to take the
Association Properties or any interests therein or part thereof, including any Improvements, the Association
shall give prompt notice thereof, including a description of the part of or interest in the Association
Properties or Improvements thereon sought to be so condemned, to all Owners. The Association shall have
full power and authority to defend in said proceedings, and to represent the Owners in any negotiations,
settlements and agreements with a condemning authority for acquisition of the Association Properties, any
part thereof, or any interest therein, and each Owner hereby appoints the Association as the Owner’s
attorney-in-fact for such purposes. Any award or proceeds of settlement shall be payable to the Association
for the use and benefit of the Owners and their First Mortgagees as their interests may appear. No Owner
shall be entitled to participate as a party or otherwise in any condemnation proceedings.
9.6.2 If all of the Association Properties are taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance of condemnation, any award or settlement shall be apportioned by the Association on such a fair and equitable basis as the Association determines to be appropriate in the circumstances, or as determined by judicial decree. If the allocation of the condemnation award is already established in the negotiations, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent that it is relevant and applicable.

9.6.3 If less than all of the Association Properties are taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance of condemnation, the condemnation award shall first be applied by the Association to the rebuilding and replacement of those Improvements on the Association Properties which are damaged or taken by the condemning public authority, if such rebuilding or replacement is reasonably practical, unless Members with at least sixty-seven percent of the voting power of the Association and unless sixty-seven percent of the First Mortgagees (based upon one vote for each First Mortgage held) agree otherwise. Any surplus of the award or other portion thereof not used for rebuilding and replacement shall be distributed by the Association on the same basis as indicated in subparagraph (b) of this Section. No provision of this Declaration or any other document relating to the Association Properties shall be deemed to give an Owner or any other party priority over the rights of a First Mortgagee, pursuant to a First Mortgage, awarding distribution of insurance proceeds or condemnation awards for losses to or taking of Association Properties.

ARTICLE 10 - INSURANCE

10.1 Insurance on Association Properties. The Association shall maintain insurance covering all insurable Association Properties as well as all Dwelling Units, Improvements and Structures on the Property (excluding Landscaping). The Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as a common expense.

10.1.1 A policy of property insurance covering all insurable Association Properties as well as all Dwelling Units, Improvements and Structures on the Property (excluding Landscaping) for an amount not less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of any land, excavations, foundations or other items normally excluded from property policies. Such insurance as maintained by the Association pursuant to this subsection shall afford protection against at least such risks as at the time are customarily covered with respect to associations having property similar in construction, location and use, including all perils normally covered by the "special causes of loss" form, where such is available, including the "replacement cost" endorsement and the "agreed amount" endorsement.

10.1.2 A policy of commercial general liability insurance insuring the Association in an amount deemed sufficient in the judgment of the Board of Directors of the Association, covering bodily injury, including death, personal injury and property damage liability arising out of a single occurrence. Such coverage shall include, without limitation, legal liability of the insureds for property damage, bodily injury and death in connection with the operation, maintenance or use of the Association Properties, legal liability arising out of lawsuits related to employment contracts of the Association, and protection against liability for non-owned and hired automobiles. Such coverage may also include, if applicable, comprehensive automobile liability insurance, garagekeeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability, workmen's compensation insurance for employees of the Association, and insurance coverage of such other risks as are customarily required by private institutional mortgage investors with respect to associations having property similar in construction, location and use. This policy shall insure the Association, the Board of Directors, the Association's managing agent (if any), and their respective employees, agents and all persons acting as agents. Declarant shall be included as an additional insured in its capacity as an Owner of Lots. The Owners shall be included as additional insureds but only for claims and liabilities arising from the ownership, existence, use or management of the Association Properties. The insurance shall cover claims of one or more insured parties against other insured parties.
10.1.3 If deemed appropriate in the judgment of the Board of Directors of the Association, a policy providing fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, in an amount at least equal to the estimated maximum of funds, including reserves, held by the Association at any given time; provided, however, that such fidelity coverage or fidelity bonds shall not be in an amount less than two (2) months’ aggregate Common Assessments on all Lots, plus the Association’s reserve funds. Such fidelity coverage or bonds shall meet the following requirements:

(a) all such fidelity coverage or bonds shall name the Association as an obligee;

(b) such fidelity coverage or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of “employee” or similar expression.

In the event the Association has delegated some or all of its responsibility for the handling of funds to a manager, the Association may require the manager to purchase, at the manager’s own expense, a policy of fidelity insurance or bonds which fully complies with the provisions of this subparagraph 10.1.3.

10.1.4 In additional the Association may obtain insurance against such other risks of similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including but not limited to personal liability insurance to protect directors and officers of the Association and the members of the Architectural Control Committee and other representatives.

10.2 General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be carried in blanket policy form naming the Association, or its designee, as trustee and attorney-in-fact for all Owners, as the insured, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner’s membership in the Association. The policy or policies shall contain a standard non-contributory First Mortgagee’s clause in favor of each First Mortgagee, and a provision that it cannot be cancelled or materially altered by either the insured or the insurance company until thirty (30) days’ prior written notice thereof is given to the insured and to each First Mortgagee, insurer or guarantor of a First Mortgage. The Association shall furnish proof of insurance to any party in interest, including First Mortgagees, upon request and payment of a reasonable fee. Any such Owner’s policy shall also contain waivers of subrogation. Additionally, all policies shall contain waivers of any defense based on invalidity arising from any act or neglect of an Owner where such Owner is not under the control of the Association. Insurance obtained by the Association, to the extent reasonably feasible, and provided that Declarant reimburses the Association for any additional premium payable as a result, shall name Declarant as an additional insured and shall contain a waiver of subrogation rights against Declarant. Casualty, fire and extended coverage insurance may be provided under blanket policies covering the Association Properties and property of Declarant.

10.3 Deductibles. No policy or insurance of which the Association or its designee is the beneficiary shall include a deductible clause in an amount which is greater than the lesser of $10,000.00 or one percent of the face amount of the policy. Any deductible shall be payable by the Person responsible for the repair and maintenance of the damaged or destroyed property which is the subject of an insurance claim. In the event of a joint duty of repair and maintenance of the damaged or destroyed property, then the deductible may be apportioned among the parties sharing in such joint duty, or may be partly or wholly borne by the Association, at the election of the Board of Directors.

10.4 Insurance Trustee. The Association may authorize a representative to act for it, including any trustee or successor thereto, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance. Such insurance trustee shall act as attorney-in-fact for the purpose of purchasing and maintaining insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. Said party may also receive, hold or
otherwise properly dispose of any proceeds of insurance in trust for Owners and their First Mortgagees as their interests may appear.

10.5 Acceptable Insurance Companies. Each hazard insurance policy purchased by the Association must be written by a hazard insurance carrier which has a current credit or financial rating, which meets any applicable requirements of the Agencies, and is authorized by law to do business in the State of Colorado. The Association shall not obtain any policy if (a) the terms of the insurance company's charter, bylaws, or policy provide that contributions or assessments may be made against the mortgagor or mortgagee's designee, or (b) the terms of the carrier's charter, bylaws, or policy provide that loss payments are contingent upon action by the carrier's Board of Directors, policyholders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which would prevent First Mortgagees or any Owner from collecting insurance proceeds.

10.6 Other Insurance to be Maintained by Others. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, public liability insurance coverage upon each Lot, and hazard insurance coverage on the Improvements owned by each Owner shall be the responsibility of the Owner of such Lot.

10.7 Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Directors to ascertain that the coverage provided by such policies adequately covers those risks insured by the Association.

10.8 Owners' Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of any or all of the Association Property is caused by the willful or negligent act or omission of any Owner, or a Related User of such Owner, the cost of such repair, maintenance or reconstruction shall be the personal obligation of such Owner, and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction may be collected as a Site Assessment as provided in this Declaration or by the Association exercising any rights or remedies under the Association Documents or otherwise as permitted by law. A determination of the negligence or willful act or omission of any Owner or any Related User of such Owner, and the amount of the Owner's liability therefor, shall be determined by the Board of Directors at a hearing after any notice required by the Bylaws to be given to the Owner, but any determination by the Board of Directors shall be subject to judicial review as appropriate.

ARTICLE 11 - DECLARANT'S DEVELOPMENT RIGHTS, SPECIAL RIGHTS AND RESERVATIONS

11.1 Expansion Rights. Declarant expressly reserves the right to subject to this Declaration all or any part of the property described on Exhibit C and/or Exhibit D, attached hereto and hereby incorporated by reference ('Development Parcels'). The Development Parcels are also shown on the Development Plan attached hereto as Exhibit E, and on the Sketch Plan, attached hereto as Exhibit F. In addition, Declarant reserves the right to add other real property to the Property if the property to be added is adjacent to, or surrounded by, the Property, but only to the extent necessary to correct errors or omissions in the legal description of the Property. The consent of Lot Owners or mortgagees shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option.

11.2 Development Rights. Declarant expressly reserves the right to create additional Lots and Common Area ('Additional Improvements') and to subdivide Lots and to convert Lots into Common Area on either or both Development Parcels. Declarant may exercise its development rights on all or any portion of the Development Parcels in whatever order of development Declarant, in its sole discretion, determines. If either or both Development Parcels are submitted to this Declaration, this right to reserve property for future development shall apply to such property as well.

11.3 Withdrawal Rights. Once subjected to the terms and conditions of this Declaration, Declarant expressly reserves the right to withdraw all or any portion of the Development Parcels from the terms of this Declaration by recording a document evidencing such withdrawal in the office of the Clerk and Recorder of
El Paso County, Colorado; provided, however, no Development Parcel may be withdrawn after a Lot in that Development Parcel has been conveyed by Declarant to an unrelated third-party purchaser. Any property withdrawn from the Declaration shall be subject to whatever easements, if any, are reasonably necessary for access to or operation of the Property as a whole. Declarant shall prepare and record in the office of the Clerk and Recorder of the County where the Property is located whatever documents are necessary to evidence such easement(s) and shall amend the Plat to include reference to any such recorded easement(s).

11.4 Amendment of the Declaration. If Declarant elects to submit a Development Parcel, or any part thereof, or Additional Improvements, to this Declaration, or to subdivide or to convert Lots, Declarant shall record an amendment to the Declaration reallocating the rate of assessment for common expenses so the assessment appurtenant to each Lot will be apportioned according to the total number of Lots submitted to the Declaration (excluding any Lot dedicated to Common Area). The rate of assessment appurtenant to each Lot subject to assessment in the Property, as expanded, shall be equal unless the Declarant, based upon other information available at the time, determines an equal rate of assessment is not appropriate. In addition, voting rights shall be allocated one vote per Lot (excluding any Lot dedicated to Common Area).

The amendment to the Declaration shall contain at a minimum the legal description of the Development Parcel, or a part thereof, or a description of the property on which the Additional Improvements being submitted to this Declaration are located and a schedule of re-allocated rates of assessment appurtenant to the Lots contained within the Property, as expanded.

Upon the recording of an amendment to the Declaration, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Property, as expanded. The Development Parcel, or any part thereof, or the Additional Improvements, shall be added to and become a part of the Property for all purposes.

11.5 Maximum Number of Lots. Notwithstanding any other provision of this Declaration to the contrary, the maximum number of Lots that Declarant may create in the Property, as expanded, shall be 150. Declarant shall not be obligated to expand the project beyond the number of Lots initially submitted to this Declaration.

11.6 Construction. The Dwelling Units, Structures and Improvements to be placed on the Property or any Development Parcel, or any part thereof, shall be of a quality equal to or better than the improvements previously constructed on the Property, but need not be of the same exact size, style or configuration, so long as they otherwise comply with the general intent of this Declaration. The improvements may be located anywhere on the Property reserved for future development or on the Development Parcel.

11.7 Construction Easement. Declarant expressly reserves the right to perform warranty work, and repairs and construction work, and to store materials in secure areas, on the Property and in Common Areas and the future right to control such work and repairs, and the right of access thereto, until its completion. All work may be performed by Declarant without the consent or approval of any Lot Owner or mortgagee. Declarant has such an easement through the Common Area as may be reasonably necessary for the purpose of discharging Declarant’s obligations and exercising Declarant’s reserved rights in this Declaration. Such easement includes the right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the land not designated as reserved for future development in the Declaration for the purpose of furnishing utility and other services to buildings and improvements to be constructed on the Development Parcel. Declarant’s reserved construction easement includes the right to grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Area. If Declarant grants any such easements, the Plat will be amended to include reference to the recorded easement(s).

11.8 Reciprocal Easements. If all or part of the Development Parcel is not submitted to this Declaration, or if property is withdrawn from the Property ("Withdrawn Parcel"):
the Lot Owner(s) of the Development Parcel and/or Withdrawn Parcel shall have whatever easements are necessary or desirable, if any, for access, parking, utility service, repair, maintenance and emergencies over and across the Property; and

the Lot Owner(s) in the Property shall have whatever easements are necessary or desirable, if any, for access, parking, utility service, repair, maintenance and emergencies over and across the Development Parcel and Withdrawn Parcel.

Declarant shall prepare and record in the office of the Clerk and Recorder of El Paso County whatever documents are necessary to evidence such easements and shall amend the Plat to include reference to the recorded easement(s). Such recorded easement(s) shall specify that the Lot Owners of the Development Parcel and the Withdrawn Parcel and the Lot Owners in the Property shall be obligated to pay a proportionate share of the cost of the operation and maintenance of any easements utilized by either one of them on the other’s property upon such reasonable basis as the Declarant shall establish in the easement(s). Preparation and recordation by Declarant of any easement pursuant to this Section shall conclusively determine the existence, location and extent of the reciprocal easements that are necessary or desirable as contemplated by this Section.

11.9 Termination of Expansion and Development Rights. The development rights described in this Article and reserved to Declarant, for itself, its successors and assigns, shall expire twenty (20) years from the date of recording this Declaration, unless the expansion and development rights are (i) extended as allowed by law, or (ii) reinstated or extended by the Association, subject to whatever terms, conditions, and limitations the Board of Directors may impose on the subsequent exercise of the expansion and development rights by Declarant. Upon the expiration or other termination of the expansion and development rights, any Lot then subject to development rights shall become Common Area.

11.10 Transfer of Expansion and Development Rights. Any Special Declarant Right or Additional Reserved Right created or reserved under this Article for the benefit of Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in El Paso County. Such instrument shall be executed by the transferor Declarant and the transferee.

11.11 Rights Reserved in Conveyance. The rights and reservations set forth in this Article shall be deemed excepted and reserved in each conveyance of property by Declarant, whether or not specifically stated therein, and in each deed or other instrument by which any property within the Property is conveyed by Declarant. The rights, reservations and easements set forth in this Article shall be prior and superior to any other provisions of the Association Documents and may not, without Declarant’s prior written consent, be modified, amended, rescinded or affected by any amendment of the Association Documents. Declarant’s consent to any one such amendment shall not be construed as a consent to any other amendment.

11.12 Exercise of Development Rights. No assurances are made by Declarant concerning which Development Parcels or which portions of the Development Parcels may be affected by Declarant’s exercise of its development rights or the order in which Development Parcels or portions of the Development Parcels may be affected. Declarant is not obligated to exercise any of its development rights and may elect not to exercise any or all of them. If Declarant does exercise a development right in any portion of the Property, Declarant is not obligated to exercise that development right in all or any other portion of the remainder of real estate affected by the exercise of the development right or in all or any other portion of the remainder of the Property.

11.13 Special Declarant Rights. For a period of twenty (20) years from the date of recording of this Declaration, and as more particularly set forth in this Article or elsewhere in this Declaration, Declarant shall also have the following special declarant rights:

(a) to complete any Improvements shown on the Plat or any supplemental Plat;

(b) to exercise any development rights set forth in this Article;
(c) to maintain anywhere within the Property, sales offices, management offices, signs advertising the Property and model homes;

(d) to use easements through the Association Properties for the purpose of making improvements within the Property; and

(e) to appoint or remove any officer of the Association or any member of the Board of Directors appointed by Declarant.

11.14 Right to Construct Additional Improvements on Association Properties. Declarant shall have and hereby reserves the right, but shall not be obligated, to construct additional Improvements on Association Properties at any time and from time to time in accordance with this Declaration for the improvement and enhancement of the Association Properties and for the benefit of the Association and the Owners.

11.15 Declarant’s Rights to Use Association Properties in Promotion and Marketing. Declarant shall have and hereby reserves the right to use the Association Properties and to use services offered by the Association in connection with the promotion and marketing of property within the boundaries of the Property or nearby areas. Without limiting the generality of the foregoing, Declarant may erect and maintain on any part of the Association Properties such signs, temporary buildings and other structures as Declarant may reasonably deem necessary or proper in connection with the promotion, development and marketing of real property within the Property; may use vehicles and equipment on Association Properties for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Property to use Association Properties.

11.16 Declarant’s Rights to Complete Development of Property. No provision of this Declaration shall be construed to prevent or limit Declarant’s rights to complete the development of property within the boundaries of the Property or nearby areas and to subdivide, resubdivide, or rezone any portion of such property; to grant licenses, easements, reservations and rights-of-way; to construct or alter Improvements on any property owned by Declarant within the Property; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Association within the Property; or to post signs incidental to development, construction, promotion, marketing, sales or leasing of property within the boundaries of the Property. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals to excavate, cut, fill or grade any property owned by Declarant, to change any landscaping, grading, drainage, vegetation, or view; or to construct, alter, demolish or replace any Improvements on any property owned by Declarant, or to use any structure on any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within the boundaries of the Property, nor shall anything herein be deemed to require Declarant to seek or obtain the approval of the Architectural Control Committee or of the Association for any such activity or Improvement to Property by Declarant on any property owned by Declarant or by the Association. Nothing in this Section shall limit or impair the reserved rights of Declarant as may be elsewhere provided in the Association Documents, which rights are incorporated in this Section by this reference.

11.17 Declarant’s Approval. Until Declarant no longer has the right to appoint a majority of the Board, the Association shall not, without first obtaining the prior written consent of Declarant, which consent shall not be unreasonably withheld, convey, change or alter the use of Association Properties; mortgage the Association Properties; use Association Properties other than for the benefit of Members; change or repeal any rules of the Architectural Committee; make any substantial reduction or change in Association services; or make any amendment of Association Documents.

ARTICLE 12 - ASSESSMENTS

12.1 Creation of Lien and Personal Obligation to Pay Assessments. The Declarant, for each Lot or Dwelling Unit owned within the Property, hereby covenants, and each Owner of any Lot or Dwelling Unit by
acceptance of a deed therefor, whether or not it shall be so expressed in said deed, is deemed to covenant and agree to pay to the Association, Annual, Special and Site Assessments or charges which shall be established and collected as hereinafter provided. These charges, together with a rate of interest equal to the commercial loan interest rate charged by Colorado National Bank-Exchange or its successor, and any and all other costs of collection, including the costs and expenses incurred for the filing of a lien hereunder and legal fees and costs (hereinafter "Costs of Collection"), shall be a mandatory charge on the Lots or Dwelling Units and shall be a continuing lien upon the property against which each such Assessment is made. Each Owner shall be jointly and severally liable to the Association for the payment of all Assessments attributable to them and/or their Lot. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title or interest unless expressly assumed by them. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for herein by non-use of the Common Areas or the facilities contained therein, by abandonment or leasing of his Lot, or by asserting any claims against the Association, the Declarant or any other person or entity. In addition to the foregoing Assessments, charges, fees and other sums, each Owner shall have the obligation to pay real property ad valorem taxes and special assessments imposed by Colorado governmental subdivisions against his Lot.

12.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the Owners in providing funds for the following: (a) maintenance, repair and replacement of private roads, Common Areas and drainage systems within the Property, including but not limited to, snow removal, sweeping, cleaning, maintenance of traffic signs, street signs, markings, lighting, maintenance and replacement of drainage structures, pipes, channels, bridges, and other similar expenses related to the private roads, streets and drainage systems within the Property; (b) the development, maintenance, and expenses of a complete security system and security protection for the Owners and residents including salaries for security personnel and the cost of equipment including guard gates, communication systems, security vehicles and related facilities, (or in the alternative contracting for such security and security protection services); (c) the costs of architectural control and covenant enforcement hereunder, including the Architectural Control Committee's overhead and supervision costs in reviewing all plans and all costs of collection including reasonable attorney's fees; (d) for costs and expenses related to the operation of any other facilities which an Owner is entitled to use by virtue of being an Owner of a Lot or member of the Association (such as the Community Recreation Center at Kissing Camels Estates); and (e) for all other things (e.g. trash and refuse pickup) as may be determined by the Association to be in the best interests of the health, safety and welfare of the Owners and Property.

12.3 Determination of Annual Assessments. The determination of Annual Assessments shall be based upon the estimated and projected budget of cash requirements adopted from year to year by the Association. Annual Assessments shall be calculated to be sufficient to satisfy the expected annual needs of the Association to provide the services to the Owners and the Property contemplated in this Declaration. An adequate reserve out of the Annual Assessments may also be maintained by the Association to carry out its duties and obligations hereunder.

12.4 Rates of Assessment. Annual and Special Assessments shall be allocated equally and uniformly among all Lots, so that each Owner is obligated to pay an equal Annual and Special Assessment for each Lot owned; provided, however, Annual and Special Assessments for Lots containing Dwelling Units may vary from Annual and Special Assessments for unimproved Lots. Subject to the foregoing, the rates for Annual and Special Assessments shall be determined by dividing the total Assessments payable for the Assessment period by the number of Lots then subject to this Declaration, with the resulting quotient being the amount payable with respect to each Lot.

12.5 Date of Commencement of Annual Assessments. The Annual Assessments provided for herein shall commence as to each Lot on the first day of the month following the first conveyance of the Lot from the Declarant to a purchaser thereof.

12.6 Failure to Fix Assessment. The failure of the Association to levy an Assessment in any case shall not be deemed a waiver or modification with respect to any of the provisions of this Declaration or a release of the liability of any Owner to pay Assessments for that or any subsequent period.
12.7 **Special Assessments.** In addition to Annual Assessments, the Association may levy Special Assessments for the purpose of defraying in whole or in part the expense of any contingency or unbudgeted item.

12.8 **Site Assessments.** The Association may levy a Site Assessment against any Member, Owner, or Lot if the willful or negligent acts or omissions of the Member or Owner cause any violation of the Association Documents or cause any loss or damage to the Association or Common Areas or cause an expenditure of funds in connection with the enforcement powers of the Association. Except for a default consisting solely of a failure to timely pay any Assessment, including, without limitation, Special Assessments or Annual Assessments, which shall not require any notice and hearing, a Site Assessment shall be levied only after any required notice and hearing. The amount of the Site Assessment shall be due and payable to the Association upon notice by the Board that the Site Assessment is owing. Imposition or non-imposition of Site Assessments shall not preclude the Association from pursuing simultaneously or subsequently all other legal or equitable rights and remedies.

12.9 **Effect of Nonpayment of Assessments.**

12.9.1 Any installment of an Assessment provided for in this Declaration shall become delinquent if not paid on the due date as established by the Association. With respect to each installment of an Assessment not paid within ten (10) days after its due date, the Association may, at its election, require the delinquent Owner to pay a late charge of not to exceed Five and No/100 Dollars ($5.00) or five percent (5%) of the amount of the delinquent installment, whichever is greater, together with interest at the maximum rate permitted by law on such delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. If any installment of an Assessment is not paid within thirty (30) days after its due date, the Association may mail a notice to the Owner and to each First Mortgagee of a Lot or Dwelling Unit which has requested a copy of such notices. Such notice shall specify (i) the fact that the installment is delinquent; (ii) the action required to cure the default; (iii) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such defaults must be cured; and (iv) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Assessment and ultimate sale of the Owner's Lot and/or Dwelling Unit in foreclosure. The notice shall further inform the Owner of his right to cure after acceleration and to bring a court action to assert the nonexistence of a default or any defense of the Owner to acceleration and sale. If the delinquent installments of the Assessment and any charges thereon are not paid in full on or before the date specified in the notice, the Association, at its option, may declare all the unpaid balance of the Assessment for the then current fiscal year, attributable to that Owner and his Lot and/or Dwelling Unit, to be immediately due and payable without further demand and may enforce the collection of the full Assessment and all charges thereon in any manner authorized by law and this Declaration.

12.9.2 All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on the respective Lot and/or Dwelling Unit prior and superior to all other liens, except all liens for taxes, bonds, Assessments and other levies or encumbrances which, by law, would be superior thereto. The lien shall become effective upon recordation by the Association or its authorized agent of a notice of an Assessment or lien securing the payment of any Assessment or installment thereof in accordance with Colorado law. The lien shall relate only to the individual Lot and/or the Dwelling Unit against which the Assessment was levied and not to the Property as a whole. Upon payment to the Association of the full amount claimed in the notice of Assessment or lien, together with other appropriate charges, including interest, costs of preparation of legal documents and attorney's fees, or other satisfaction thereof, the Association shall cause to be recorded a notice of satisfaction and release of lien, stating the satisfaction and release of the amount claimed. The Association may demand and receive from the applicable Owner a reasonable charge for the preparation and recordation of the notice of satisfaction and release before recording. Any purchaser or encumbrancer who has acted in good faith and extended value may rely upon the notice of satisfaction and release as conclusive evidence of the full satisfaction of the sums stated in the notice of Assessment or lien.
12.9.3 An action may be brought to foreclose the lien of the Association by its board of directors, or by any Owner if the Association fails or refuses to act, after the expiration of at least thirty (30) days from the date on which the notice of Assessment or lien was recorded; provided that at least ten (10) days have expired since a copy of the notice of Assessment or lien was mailed to the Owner affected thereby, and subject to the requirements of Colorado law. The Association, through its agents, shall have the power to bid on the Lot and/or Dwelling Unit at foreclosure sale, and acquire and hold, lease, mortgage and convey the same. Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's Dwelling Unit and the defaulting Owner shall be required to pay the reasonable rental value for such Dwelling Unit during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner. Suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosing or waiving the lien securing the same, but this provision or any institution of any suit to recover a money judgment shall not constitute an affirmation of the adequacy of money damages. Any recovery resulting from a suit at law or in equity initiated pursuant to this Section, shall include reasonable attorney's fees as fixed by the court.

12.10 Homestead. The lien of the Association for Assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado law. The acceptance of a deed to a Lot or Dwelling Unit subject to this Declaration shall constitute a waiver of the homestead exemption as against said Assessment lien.

12.11 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offset, abatement or reduction thereof shall be permitted for any reason whatsoever, including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration, or for inconvenience or discomfort arising from any activity of the Association, including the making of repairs or Improvements to Common Areas, or because an Owner claims that a particular function funded by the Assessment does not benefit that Owner directly, or for any other reason.

ARTICLE 13 - EASEMENTS

13.1 Recorded Easements. The Property shall be subject to easements of record and as shown on any recorded Plat of the Property.

13.2 Utilities. Declarant hereby creates and reserves to itself (until Declarant has sold the last Lot in the Property to an Owner other than Declarant) and, thereafter, to the Association:

(a) perpetual, alienable, divisible and releasable easements, and the right from time to time to grant such easements to others, over, under, in and across each of the five (5) foot strips of land along and adjoining each front and rear Lot Line of each Lot, for use of all or part of such areas for lines for transmission of electric current or impulses or electronic signals, for heat and fuel lines, for telephone lines, for water lines, for utility lines, for drainage and for other similar or dissimilar facilities and purposes, including the installation, repair, replacement and maintenance of the same, and for any one or more of such purposes; and

(b) a blanket easement across, over and under the Common Area for access, utilities, drainage and the installation, replacement, repair and maintenance of utilities, including but not limited to water, sewer, gas, telephone and electricity.

If any utility or quasi-utility company furnishing a service covered by the easements created herein requests a specific easement by separate recordable document, Declarant reserves and is hereby given the right and authority to grant such easement. The Association shall succeed to such right and authority upon conveyance by Declarant of the last Lot in the Property to the first Owner thereof, other than Declarant. The easement provided for in this Section shall in no way affect, avoid, extinguish or modify any other recorded easement on the Property.
13.3 Association and Declarant's Easement. An easement is hereby granted to the Association and to the Declarant, its officers, agents, employees and assigns across, over, in, and upon the Property as may be necessary or appropriate to perform the duties and functions which they are obligated to perform pursuant to this Declaration or otherwise.

13.4 Side Yard Easements. For purposes of this Section, the following definitions shall apply:

(a) "Benefitted Lot" shall mean, as between two adjoining Lots, the Lot which is accessed by a driveway which partially encroaches upon the adjoining Lot.

(b) "Servient Lot" shall mean, as between two Lots, the Lot upon which the driveway of the adjoining Lot encroaches.

(c) "Front Easement" shall mean a five foot wide strip of land on the Servient Lot (the width of said strip of land measured on a perpendicular from a point on the common boundary line between the adjoining Lots) running from a line (perpendicular to the common boundary line) drawn from the corner of the Dwelling Unit on the Benefitted Lot, which corner is nearest the common boundary and nearest the front Lot Line of the Benefitted Lot, to the front Lot Line of the Servient Lot.

(d) "Rear Easement" shall mean a five foot wide strip of land on the Benefitted Lot (the width of said strip of land measured on a perpendicular from a point on the common boundary line between the adjoining Lots) running from a line (perpendicular to the common boundary line) drawn from the corner of the Dwelling Unit on the Benefitted Lot, which corner is nearest the common boundary and nearest the front Lot Line of the Benefitted Lot, to the rear Lot Line of the Benefitted Lot.

An easement is hereby granted to each Benefitted Lot, and the Owner thereof, across, over, in, and upon the Front Easement of the adjoining Servient Lot as may be necessary or appropriate for the construction, encroachment, maintenance and use of a driveway to serve the Benefitted Lot, and for the installation and maintenance of landscaping within such Front Easement and for the related use and enjoyment of the Front Easement, subject to the restrictions set forth below. For illustrative purposes only, attached hereto in Exhibit B is a drawing of a Typical Side Yard Easement showing the location of the Front Easement.

An easement is further hereby granted to each Servient Lot, and the Owner thereof, across, over, in, and upon the Rear Easement of the adjoining Benefitted Lot as may be necessary or appropriate for the installation and maintenance of landscaping within such Rear Easement and for the related use and enjoyment of the Rear Easement, subject to the restrictions set forth below. For illustrative purposes only, Exhibit B also includes a drawing of a Typical Side Yard Easement showing the location of the Rear Easement.

Neither the Owner of a Benefitted Lot or Servient Lot shall attach any object to any Structure or Improvement on the adjoining Lot or disturb the grading or drainage with respect to the adjoining Lot, or otherwise act with respect to the adjoining Lot in such a manner as would damage the adjoining Lot or interfere with the structural integrity of any Structure or Improvement upon such Lot. Any landscaping situated in the easement areas which is removed or damaged by an Owner during construction, maintenance or repair of a Structure or Improvement shall be promptly repaired or replaced at the expense of such Owner. No waste shall be suffered or permitted in the easement areas.

13.5 Ingress and Egress. Each Owner, occupant of a Dwelling Unit and/or guest or invitee of an Owner or occupant, shall have the right to vehicular and pedestrian ingress and egress over, upon, and across the private streets within the Property.
13.6 Public Servants and Emergencies. An easement is hereby granted to all police, fire protection, ambulance, security, and all similar persons to enter upon the private streets within the Property in the performance of their duties.

13.7 Other Easements. Other easements in addition to those described above or elsewhere in this Declaration may have been or may hereafter be granted or reserved by Declarant by duly recorded conveyance which the Declarant may determine, in its sole discretion, to be necessary and appropriate for the proper development of the Property.

13.8 Easements Deemed Created. The easements, uses and rights herein are created for the perpetual benefit of the Owners and the Property and shall be deemed appurtenant to the Lot or Dwelling Unit of that Owner, and all conveyances thereof hereafter made shall be construed to grant or reserve such easements, even though no specific reference to such easements appears in the instrument of conveyance.

ARTICLE 14 - MASTER PLAN

14.1 Master Plan. The Property is subject to an overall Master Plan which has been approved by the City of Colorado Springs. The Master Plan is a general proposal for future development and is not meant to be exact and may be subject to some modifications. Ownership hereunder implies a knowledge and acceptance of the existing Master Plan and an acquiescence in its future modification so long as said modification does not substantially increase the overall density under the original Master Plan.

ARTICLE 15 - MASTER ASSOCIATION

15.1 Kissing Camels Property Owners Association. Kissing Camels Property Owners Association, a Colorado non-profit corporation ("KCPOA"), is a "master" association created by the Declarant in 1960 to be responsible for private road and common area maintenance, security protection, covenant enforcement and such other services for and on behalf of all owners and properties within the Corporate Area as may be deemed necessary or appropriate. The KCPOA currently performs such services and will continue to perform such services for all properties within the Corporate Area, whether currently existing in a developed state or to be developed in the future. The decisions and actions of the KCPOA shall be as determined by its officers acting pursuant to the direction and policies of its board of directors, without any vote or meeting of its members except as described in Section 15.3, below.

15.2 Membership and Voting Rights in KCPOA. The Association shall have one membership in the KCPOA and, as a result of such membership, shall be itself subject to assessment by the KCPOA for common expenses incurred by the KCPOA in connection with services rendered from time to time by the KCPOA for the benefit of all owners and properties within the Corporate Area.

15.3 Association Trustees. The affairs of the KCPOA are currently managed by a three-member Board of Trustees who retain a power of appointment over the trustees. At such time as a substantial percentage of the lots in the Kissing Camels Estates Corporate Area have been sold to owner/occupants, the trustees are required to call a meeting of all members of the KCPOA for the election by the members of three additional members to the Board of Trustees. The Board of Trustees is then required to set, within eighteen (18) months of the election of the second group of three additional trustees, a regular annual meeting date, and at the first such annual meeting a third group of three trustees are to be elected by the members to the Board of Trustees. Thereafter, the election of trustees is staggered with the result that three trustees are subject to re-election or replacement each year by a vote of members. The Board of Trustees retains the sole power to amend the Association's Certificate of Incorporation.

15.4 Rules and Regulations. The KCPOA may from time to time promulgate reasonable rules and regulations governing the Property, which rules and regulations shall be consistent with the terms of this Declaration, and all Owners shall be required, and hereby acknowledge and agree, to conduct themselves in accordance with, such rules and regulations.
ARTICLE 16 - CLUB FACILITIES

16.1 Kissing Camels Golf Club: Garden of the Gods Club. The Kissing Camels Golf Club and the Garden of the Gods Club, and their respective clubhouse, dining, recreational, parking and other facilities, are and shall remain private property. Ownership of a Lot within the Property does not and will not imply permission to use any of those facilities, and the use in any manner without express permission will constitute a trespass and is no way authorized or permitted hereunder.

16.2 Community Recreation Center at Kissing Camels Estates. Ownership of a Lot within the Property shall entitle the Owner of such Lot to use the Community Recreation Center at Kissing Camels Estates so long as such Owner otherwise complies with all terms and conditions of this Declaration. Notwithstanding the foregoing, however, it is recognized and acknowledged that said Community Recreation Center is separately owned by the Declarant and operated and managed under contract from the Declarant. It is further recognized and acknowledged, that usage of the Community Recreation Center may be conditioned upon payment by such Owner of any usage or membership fees imposed from time to time by the Declarant, and may also be conditioned upon compliance with all rules and regulations in effect from time to time with regard to usage of such facilities.

16.3 Golf Course Operations. Each Owner of a Lot or Dwelling Unit, by acceptance of a deed therefor (whether or not it shall be so expressed in said deed), is deemed to understand and acknowledge that the Kissing Camels Golf Club operates a golf course adjacent to the Property and the Lots and Dwelling Units, and understand and acknowledge the possible risks related to the operation of this golf course amenity. Each Owner of a Lot or Dwelling Unit, by acceptance of a deed therefor (whether or not it shall be so expressed in said deed), is deemed to understand and acknowledge, and assume all risks related to, the operation of this golf course amenity and the possible hazards to Owners of Lots (as well as their guests, invitees, family members, tenants, employees, agents or other persons who may from time to time be present on their property) due to the noise and other natural results of playing golf and the maintenance of the golf course including, but not limited to, personal injury and/or property damage resulting from errant or misdirected golf shots, irrigation (whether with potable or nonpotable water), fertilizer, pesticide, effluent and other spraying/applicating operations, and noise, dust and debris from grass cutting, de-thatching and other maintenance operations, and agree to be alert to such risks and hazards and further warn of such risks or hazards their guests, invitees, family members, tenants, employees, agents or other persons who may from time to time be present on their property.

ARTICLE 17 - GENERAL PROVISIONS

17.1 **Benefit.** The restrictions, covenants, and agreements contained herein are intended and imposed for the direct, mutual and reciprocal benefit of each Lot and all Owners and subsequent Owners thereof, and to create mutual and equitable servitudes upon each Lot subject hereto in favor of any other Lot, and reciprocal rights and obligations and privity of contract and estate between the grantees of each Lot, their respective heirs, successors and assigns.

17.2 **Covenants Run With the Land.** The covenants, conditions and restrictions contained herein shall run with the land and shall inure to and be binding on each Lot and upon each person or entity hereafter acquiring ownership or any right, title and interest in any Lot or Dwelling Unit within the Property.

17.3 **Covenants are Cumulative.** Each of the covenants, conditions and restrictions contained herein is cumulative and independent, and is to be construed without reference to, any other provisions dealing with the same subject matter or imposing similar or dissimilar restrictions. The provision shall be fully enforceable although it may prohibit an act or omission sanctioned or permitted by another provision.

17.4 **Other Liens.** The exercise of any of the rights or remedies granted hereunder shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any portion of a Lot or the Property, and the provisions, conditions, restrictions and covenants herein contained shall be enforceable against any portion of a Lot or the Property acquired by any successor in interest to the lien.
holder whether such interest is acquired through foreclosure or by deed in lieu of foreclosure or by any other means whatsoever. Any lien created by this Declaration shall survive the sale, transfer, or assignment of any Lot or other portion of the Property.

17.5 Severability. In the event that any one or more of the provisions, conditions, restrictions, and covenants herein contained shall be held by any court of competent jurisdiction to be null and void, all remaining provisions, conditions, restrictions and covenants herein set forth shall continue unimpaired and in full force and effect.

17.6 Waiver. Any variance or adjustments granted by the Architectural Control Committee, or any acquiescence or failure to enforce any violation of the conditions and restrictions herein contained shall not be deemed to be a waiver of any of the provisions hereof in any other instance.

17.7 Transferability of Rights by Declarant. Any or all of the right, title, interest and estate given to or reserved by Declarant herein, and any and all of the duties of Declarant described herein, may be transferred, delegated or assigned by Declarant to any person, persons, or corporation by appropriate instrument in writing executed by Declarant and executed and accepted by the transferee and recorded in the office of the Clerk and Recorder of El Paso County, Colorado. Every reference to Declarant herein shall be deemed to include its successor or successors in interest.

17.8 Declarant’s Right to Vacate. Declarant may vacate all or a portion of the Property to which this Declaration pertains, and may resubdivide the Property so long as such vacation and resubdivision applies only to the Lots which it owns (or which are owned by other persons joining in such action), and so long as it (and persons joining with it) owns at least one-half of the total number of Lots to which this Declaration pertains. Such vacation and resubdivision need not be approved by the Owners of Lots not joining in the action.

17.9 Conflict. In the event the terms and conditions of this Declaration conflict with applicable zoning laws or subdivision ordinances, then the higher standard shall control.

17.10 Notices. Any and all notices to Owners of any Lots on any matter pertaining to this Declaration shall be mailed by regular mail to the last known address of the record title holder of the Lot on file with the Association at the time of such mailing.

17.11 Acceptance of Deed. Each Owner of a Lot included within and subject to this Declaration, by acceptance of a deed conveying any Lot, shall be deemed to accept title thereto upon and subject to each and all of the restrictions, conditions, covenants and agreements herein contained, and the jurisdiction, rights and power of this Declaration and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns (and for his guests, invitees, family members, tenants, employees, agents or other persons who may from time to time be allowed on the Property at the request of the Owner or due to relationship or acquaintance with the Owner), covenant, agree and consent to and with the grantee and subsequent Owners of each of said other Lots, to keep, observe, comply with and perform each of said restrictions, covenants, conditions and agreements.

17.12 Enforcement. A violation of the provisions, conditions, restrictions or covenants contained herein shall warrant the Declarant or other Lot Owner to apply to any court of law or equity having jurisdiction thereover for an injunction or other proper relief including, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and if such relief be granted, the court shall assess a sum for court costs and reasonable attorney’s fees to be paid to the prevailing party, as well as the amount of any delinquent payment, interest thereon and other costs of collection.

17.12.1 Without in any way limiting the generality of the foregoing, if either the Association or the Architectural Control Committee determine that there is a violation of any provision of this Declaration, or that an improvement which is the maintenance responsibility of an Owner is in need of
installation, repair, restoration or painting, then the Association or the Architectural Control Committee shall give written notice to the responsible Owner of the condition or violation complained of. Unless the Association or Architectural Control Committee has approved in writing corrective plans proposed by the Owner to remedy the condition complained of within such period of time which may be determined reasonable after it has given said written notice, and such corrective work is so approved as completed thereafter within the time allotted, the Association or Architectural Control Committee, after notice and hearing, shall undertake to remedy such condition or violation complained of, and the costs thereof shall be charged to the Owner and his Lot and/or Dwelling Unit whose property is the subject matter of the corrective work. Such costs shall be deemed to be a Special Assessment to such Owner, and his Lot and/or Dwelling Unit, and shall be subject to levy, enforcement and collection in accordance with the Assessment lien procedure provided for in this Declaration.

17.12.2 No delay or omission on the part of the Declarant or its successors or assigns in interest, or the Owner or Owners of any other Lot or Lots in the Property in exercising any right, power or remedy herein provided for in the event of any breach of any of the provisions, conditions, restrictions and covenants herein contained, shall be construed as a waiver thereof or an acquiescence therein; and no right of action shall accrue nor shall any action be brought or maintained by, for, or on accounts of its failure or neglect to exercise any right, power or remedy herein provided for in the event of any such breach, or for imposing herein provisions, conditions, restrictions, or covenants which may be unenforceable.

17.12.3 The various rights and remedies of Declarant and of Owners of Lots as hereinbefore set out are and shall be cumulative. All of them may be used, relied upon, resorted to and enforced without in any way affecting the ability of Declarant or the said Owner to use, rely upon, resort to or enforce the others, or any of them.

17.13 Duration of Restrictions. All of the provisions of this Declaration shall continue and remain in full force and effect until January 1, in the year 2015 A.D., and thereafter for successive periods of ten (10) years each unless at least one (1) year prior to January 1, 2015 A.D., or at least one (1) year prior to the expiration of any such ten (10) year period of extended duration, this Declaration is terminated by recorded instrument, directing termination, signed and acknowledged by the Owners of at least three-fourths (3/4) of the Lots in the Property. However, those provisions of Article 12 providing for Assessments may not be terminated so long as the Kissing Camels Property Owners Association is performing the responsibilities and services as defined in said Article.

17.14 Amendment.

17.14.1 Until the first Lot subject to this Declaration has been conveyed by Declarant by recorded deed, 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.

17.14.2 From time to time, any one section of this Declaration may be amended or new sections may be added by an instrument signed and acknowledged by the Declarant and approved by the Owners of at least three-fourths (3/4) of the Lots, provided that any said amendments do not deprive an Owner of the use of his Lot and accomplishes the purposes as set forth in Article 2, and further provided that any amendment to this Declaration does not attempt to terminate the provisions of Article 12 of this Declaration providing for Assessments so long as the Kissing Camels Property Owners Association is performing the responsibilities and services of the Association as defined in said Article.

17.14.3 Amendments to this Declaration to make technical revisions which do not substantively change the rights and obligations of the parties may be made by Declarant without consent of the Owners.

17.15 Actions in Writing. Notices, approval, consents, extensions, applications and other actions provided for or contemplated by this Declaration shall be in writing and shall be signed on behalf of the
party who originates the notice, approval, consent, application or other action. Permission, consent or approval of Declarant or the Architectural Control Committee or the Association under this Declaration shall not be effective unless in writing.

17.16 Compliance with Laws. Unless properly excepted from the terms thereof by the express language of this Declaration, the development, construction, use and occupancy of the Property shall be subject to all applicable local, state and federal laws, rules and regulations.

17.17 Costs and Attorneys' Fees. In any action or proceeding under the Association Documents, the party which seeks to enforce the Association Documents and prevails, shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fee and expert witness fees. In addition to the foregoing, the Association shall be entitled to recover reasonable attorneys fees and other legal and related costs and expenses incurred in connection with its efforts to collect assessments and otherwise enforce the powers of the Association, regardless of whether or not suit was initiated.

17.18 Mergers or Consolidation. The Association may merge with another incorporated association to the extent permitted by law. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association 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.

IN WITNESS WHEREOF, the Declarant has executed this Declaration on the date and year set forth below.

DECLARANT:

HILL DEVELOPMENT CORPORATION, a Delaware corporation

By: Lyda Hill, President

Date: June 26, 1995

STATE OF Colorado )
COUNTY OF El Paso ) ss.

The foregoing instrument was acknowledged before me this 26th day of June, 1995, by Lyda Hill, as President of HILL DEVELOPMENT CORPORATION, a Delaware corporation.

Witness my hand and official seal.
My commission expires: 10-2-97

Notary Public
EXHIBIT A

Legal Description of Phase I Property

Courtyard at Kissing Camels Estates, Filing No. 1 and Filing No. 1A
EXHIBIT B

Plat and First Amendment to Plat of Phase 1 Property

PAGE 1 OF 2

A REPLET OF A PORTION OF LOT 13, BLOCK 2, KISSING CAMELS SUBDIVISION NO. 2,
CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO

COURTYARD ESTATES
FILING NO. 1

LEGEND

SCALE 1: 390
EXHIBIT C

Development Parcel -- Phase 2

A portion of Lot 13, Block 7, Kissing Camels Subdivision No. 2, and a portion of Kissing Camels Subdivision No. 7 in the City of Colorado Springs, El Paso County, Colorado, more particularly described as follows:

Beginning at the southwest corner of the Courtyard at Kissing Camels Estates Filing No. 1, said point being on the easterly right of way line of Chilson Lane, thence northwesterly on said easterly line along a curve to the right having a central angle of 39°37'47", a radius of 730.00 feet for a distance of 504.92 feet, the chord of said curve bears N54°50'08"W to a point of reverse curve; thence on said curve to the left having a central angle of 13°39'30", a radius of 280.52 feet for a distance of 66.87 feet; thence N48°40'47"W a distance of 3.67 feet to the south right of way line of Kissing Camels Drive; thence northeasterly on said south line on a curve to the left having a central angle of 10°14'22", a radius of 640.00 feet for a distance of 114.38 feet, the chord of said curve bears N33°30'56"E; thence S61°36'15"E a distance of 174.84 feet; thence N18°54'43"E a distance of 121.46 feet; thence S71°05'17"E a distance of 140.00 feet; thence N18°54'43"E a distance of 57.14 feet to a point of curve; thence on said curve to the right having a central angle of 00°11'34", a radius of 175.00 feet for a distance of 0.59 feet; thence S71°05'17"E a distance of 205.00 feet to the boundary of said Courtyard at Kissing Camels Estates Filing No. 1; thence S18°54'43"W on said boundary a distance of 262.00 feet; thence S71°05'17"E a distance of 4.01 feet; thence S23°25'19"W a distance of 171.94 feet to the point of Beginning, containing 3.797 acres of land more or less.
EXHIBIT D

Development Parcel -- Phase 3

A portion of Lot 13, Block 7, Kissing Camels Subdivision No. 2, and a portion at Kissing Camels Subdivision No. 7 in the City of Colorado Springs, El Paso County, Colorado, more particularly described as follows:

Beginning at the northeast corner of Lot 11, the Courtyard at Kissing Camels Estates Filing No. 1, thence S66°02'47"W on the north line at said Lot 11 a distance of 176.83 feet; thence N71°05'17"W a distance of 239.26 feet to a point on a curve; thence southerly on said curve to the left having a central angle of 00°11'34", a radius of 175.00 feet for a distance of 0.59 feet, the chord of said curve bears S19°00'19"W; thence S18°54'43"E a distance of 57.14 feet; thence N71°05'17"W a distance of 140.00 feet; thence N18°54'43"E a distance of 500.00 feet; thence S75°31'07"E a distance of 196.53 feet; thence S23°57'13"E a distance of 460.00 feet to the point of Beginning, containing 4.105 acres of land more or less.
EXHIBIT E
Development Plan

COURTYARD AT KISSETO CAMELS ESTATES
DEVELOPMENT PLAN