AGREEMENT
RED ROCK POINT PHASE 3
To Be Known As
The Retreat at Kissing Camels Estates

This Agreement is entered into as of _______July 26____, 2013 ("Effective Date")
between C. R. Shea Homes, Inc., a Colorado corporation ("Shea"), successor in interest
to the Garden of the Gods Club, LLC ("GOTGC") and the Kissing Camels Property
Owners Association ("KCPOA"), a Colorado nonprofit corporation, regarding real
property commonly known as Red Rock Point Phase 3 and legally described in Appendix
A attached hereto ("Real Property"), to be developed by Shea as a planned development
within Kissing Camels Estates ("KCE") to be known as The Retreat at Kissing Camels
Estates ("Retreat"). This Agreement is based upon the following understandings and
intentions of the parties hereto:

A. KCPOA is an association for a common interest ownership community known as
KCE and has authority and responsibility to all property owners within KCE to
maintain the value of common ownership and individual properties within KCE
as delegated by that certain Amended and Restated Declaration of Covenants,
Conditions, Restrictions and Reservations for Kissing Camels, recorded in the
records of the Clerk and Recorder of El Paso County, State of Colorado, under
Reception No. 204032677 on February 26, 2004, as said Amended and Restated
Declaration may be appropriately amended from time to time ("Master
Declaration").

B. All capitalized terms not otherwise defined herein shall be as defined in the
Master Declaration.

C. Shea is the successor in interest to GOTGC for the Real Property. KCPOA and
GOTGC previously entered into that certain Agreement Regarding Red Rock
Point Phase 3 ("RRP-3 Agreement") dated to be effective as of July 1, 2009. This
Agreement is intended to replace and supersede the RRP-3 Agreement, except for
any financial obligations owed to KCPOA by GOTGC under the RRP-3
Agreement that remain outstanding as of the Effective Date.

D. Shea and KCPOA desire to establish understandings as to the development of the
Real Property by Shea and the assimilation into KCE of the owners and their units
developed within the Real Property to be known as the Retreat.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which
is acknowledged by KCPOA and Shea, the parties agree as follows:

1. **Annexation into Master Declaration and KCPOA Membership.** Shea agrees
to subject the Real Property to the Master Declaration. The plat(s) and other legal
documents as appropriate) for the Real Property shall reflect that the Real Property shall
be annexed into the "Real Estate" as defined in the Master Declaration. Shea and
KCPOA will cooperate to cause the recording of a notice of annexation of all of the Real Property into the Master Declaration at the time the first final plat for all or a portion of the Real Property is recorded. Owners of Units (also referred to herein as "lots") within the Real Property shall be members of KCPOA for all purposes. Owners of Units within the Real Property will pay the same KCPOA assessments per Unit (including contributions to the KCPOA Reserve Fund) as all other KCPOA members and shall pay such assessments at the same time as other members. The KCPOA Architectural Control Committee (ACC) shall have the same jurisdiction and authority for Units within the Real Property and ACC issues as it does for the current Units within KCE that are subject to the KCPOA ACC and to the KCPOA Design Guidelines, subject to provisions included in the attached Appendix B, and that are also consistent with the plat for the Real Property approved by the City of Colorado Springs (the "City"). Shea and KCPOA agree to cooperate in good faith and to execute those documents and take all necessary legal actions required to effectuate the above-intended results. KCPOA shall be allowed to review and pre-approve any formative documents drafted by Shea to achieve such agreed upon results, prior to filing with the City or other appropriate authorities.

2. **Formation of Sub-Association.** Prior to recordation of any approved plat or development plan for the Real Property, Shea will form a homeowners or property owners association in accordance with Colorado Law, including CCIOA. This association ("Association") shall include all of the Real Property and all of the Owners of Units in the Real Property and shall be binding upon all such Owners, Units and the Real Property under provisions of a declaration of covenants, conditions and restrictions ("Covenants") which shall also be created empowering the Association and which document shall be recorded in the real estate records of the County of El Paso, State of Colorado. The following provisions, restrictions, rights and privileges, *inter alia*, shall apply to the Association and the Covenants:

a. The Association’s formative documents shall provide that the Real Property shall be subject to the Master Declaration, and shall specifically provide that all Owners within the Real Property shall be members of KCPOA for all purposes. KCPOA shall be allowed to review and pre-approve the formative documents of the Association, including its requirements for a capital reserve fund.

b. The Association shall be annexed into KCPOA as a sub-association within KCPOA.

c. The Association, for its members, shall maintain its own infrastructure (including, *inter alia*, streets, curbs, gutters, swales, street lighting, drainage easements, storm water quality facilities and landscaping) and shall pay into its own capital reserve fund for those purposes. Reserve fund requirements shall be determined by reference to a reserve fund study prepared by a reputable national firm to be mutually agreed upon by Shea and KCPOA. Notwithstanding any provision in this Section to the contrary and
with respect to street maintenance and the reserve maintained therefor only, within five (5) years after completion of construction (or longer if determined by KCPOA), the Association infrastructure and its reserve fund set aside for street maintenance will be transferred into that of KCPOA. Such integration shall be conditioned upon KCPOA approval following its inspection and review of the condition of the streets and the adequacy of the Association street maintenance reserve funds at that time.

d. The Association shall exist as a separate common interest ownership community entity, and its individual members shall have full voting privileges as members of KCPOA.

e. The Association, through the Covenants, shall have its own architectural control committee or architectural review board which shall have the same jurisdiction and authority for improvements within the Real Property as are similar to such committees or review boards in other sub-associations within KCE. Nothing in the Covenants or its Design Standards shall conflict with provisions within the Master Declaration. KCPOA shall review, approve and execute the Covenants and Design Standards before Shea places them of record or utilizes the Covenants and Design Standards in its marketing for the Retreat.

3. **Shea Contributions to KCPOA Reserve Fund.** Shea shall contribute $2,000 to KCPOA as and for KCPOA’s Reserve Fund for each recorded, platted lot within the Real Property (16 planned lots at $2,000 each for planned total of $32,000), payable on a "per-platted-lot" basis to KCPOA when the final plat for such lots is recorded. (Note: By way of example, if Shea records a final plat on four lots within the Real Property, Shea will pay $8,000 to KCPOA’s Reserve Fund.) After final plat recordation and payment to KCPOA of said contribution, Shea agrees to pay KCPOA quarterly assessments for each lot within the Real Property not sold to an Owner. Such payments shall be at the assessment amount for “unimproved” lots within KCE (currently $68.00 per month), and shall continue for each lot within the Real Property until said lot is sold to an Owner, at which time the responsibility for the payment to KCPOA of the unimproved lot assessment shall be that of the Owner. The payments of assessments by Shea or Owners for “unimproved” lots will be deposited into the KCPOA Reserve Fund. Upon completion of a residence upon a lot within the Real Property, the Owner of such lot shall become obligated to pay the assessments due KCPOA for an “improved lot” (currently $170.00/month) immediately subsequent to the issuance of a certificate of occupancy. Payment of assessments under this Paragraph 3 shall be subject to all rights of KCPOA set forth in the Master Declaration with respect to collection of Common Expense Assessments.
4. **Other Fees, Conditions and Approvals.**

a. Shea shall pay to KCPOA whatever ACC Review Fee is currently approved by the ACC. That Fee is currently waived completely for all applicants, unless the ACC determines that it needs outside professional review in order to achieve an appropriate evaluation of a specific application, in which case the Applicant must pay the out-of-pocket costs incurred by KCPOA for such outside professional review. The parties agree that such policy shall not be changed regarding the Real Property until August 1, 2014 at the earliest. At the time of making application for review by the ACC, Shea shall provide KCPOA with a site plan and complete plan (elevations) for the proposed Unit.

b. Shea shall pay to KCPOA an Impact Fee of $1,750 for each Unit. Impact fees collected are intended to cover the degrading impact on KCPOA roads and infrastructure from the large volume of heavy construction traffic related to construction within the Real Property. The Impact Fee shall be paid to KCPOA upon Shea’s submission of its application for a building permit for each new residence within the Real Property. Impact Fees collected shall be deposited directly into the KCPOA Reserve fund.

5. **Warranty Assurance Bond.** Shea shall complete construction of streets and all infrastructure within the Real Property in full compliance with City of Colorado Springs standards and specifications, and shall provide KCPOA with a two-year construction warranty on such streets and infrastructure, the terms of which will mirror the requirements mandated by the City of Colorado Springs for road construction warranties received from developers. In addition, prior to commencing construction within the Real Property, Shea shall provide KCPOA with a Warranty Assurance Bond ("WAB") and other assurances that mirror the requirements mandated by the City of Colorado Springs for commercial or public projects of this nature, or, in lieu thereof, provide other assurances to KCPOA that are mutually agreeable to the parties. At the end of the warranty period, final acceptance by KCPOA will be based upon an inspection and repair as needed to satisfy the warranty, and the WAB will then be released.

6. **Construction Access and Gate.** Prior to commencement of infrastructure and home construction activities for the Real Property, Shea and all contractors and subcontractors shall obtain construction passes from KCPOA Security Officers and follow established gate entry protocol, as would be expected of any other builder in KCE. Construction access will be the main gate only.

7. **Perimeter Fence.** Shea agrees to remove the existing perimeter fencing (owned by District 11 School District - approximately 630 feet) separating the Real Property from property owned by Coronado High School, and to replace such existing perimeter fencing with a six-foot (6') high wrought iron fence of the same type and quality as that
being constructed for the ongoing KCPOA perimeter fencing program on other portions of the borders of KCE. The parties agree that Shea shall pay the costs of removing the current perimeter fencing, and two-thirds (2/3) of the costs of constructing the replacement wrought iron fence, and KCPOA shall pay one-third (1/3) of the costs of constructing the replacement wrought iron fence. Thereafter, the replacement fence shall be maintained by KCPOA in the same manner as other perimeter fencing for KCE.

8. **Landscape Buffer and Rights-of-Way along Hillbrook and Hill Circle.** Shea shall install landscaping within the Real Property (including a landscape buffer along that portion of the Real Property that abuts the Rights-of-Way for Hillbrook and Hill Circle) in a manner approved by the ACC. Following the installation of such landscaping and landscape buffer within the Real Property, all such landscaping and landscape buffer shall be maintained by Shea and/or the Association. The parties agree that KCPOA owns the streets named Hillbrook and Hill Circle, along with related Rights-of-Way that abut the Real Property, and that KCPOA shall maintain such streets and Rights-of-Way for all purposes including drainage (such drainage to be accomplished by use of a swale or other appropriate methods).

9. **KCPOA Architectural Control Committee Review/Approval.** Prior to final plat or development plan approval or issuance of building permits for the Real Property, KCPOA Architectural Control Committee ("ACC") approval of the four (4) home plans intended by Shea to be constructed within the Real Property shall occur in accordance with the processes outlined in the KCPOA Design Guidelines. The ACC shall have authority to insure that all of the proposed construction, including landscaping, in the Real Property conforms to those approvals, along with any other unique design, structural, landscaping or other features as set forth in Appendix B hereto.

10. **Construction Rules and Standards.** During construction of the Retreat, Shea shall comply with those standards of cleanliness and maintenance of the construction sites, and other rules regarding construction activities, that are required by the KCPOA Design Guidelines as required of other builders and developers and Owners within KCE.

11. **Disputes.** This Disputes provision shall apply to all alleged breaches or disputes regarding this Agreement, except for alleged non-payment by Shea of amounts specified in this Agreement. For cases involving alleged non-payment by Shea, KCPOA may seek appropriate remedies as provided in the Master Declaration or by initiating litigation in the appropriate court within El Paso County, Colorado, without following the procedures set forth below. For disputes not related to non-payment by Shea, in the event either party should allege a breach of this Agreement by the other party or, if either party should fail to agree on compliance with or implementation or interpretation of any part of this Agreement, such alleged breach or failure to agree shall be treated as a Dispute and handled pursuant to the specific provisions of this Paragraph 9. The parties agree not to initiate any litigation unless and until the steps outlined below have been exhausted without resolution of the Dispute. The party alleging breach or failure to agree shall activate this Dispute clause by providing a written Notice of Dispute to the other party. Any such Notice shall be specific as to the nature of the Dispute, the specific provision(s)
of this Agreement in dispute, and a stated remedy to resolve the Dispute. Within seven (7) days of the delivery of such Notice, Shea, by Charles R. Shea, and KCPOA, by its Executive Board, shall hold discussion in a good faith attempt to resolve the dispute. If the dispute remains unresolved twenty (20) days following the delivery of such Notice, the parties shall participate in mediation, using a mediator that is acceptable to both sides. In the event the parties cannot agree upon a mediator, a mediator shall be designated by the Judicial Arbiter Group ("JAG") in Colorado Springs, but, in any event, within sixty (60) days following the delivery of the Notice of Dispute. Mediation shall commence upon a date mutually agreed by the parties, or if no agreement, then a date selected by the JAG. Mediation shall be deemed to have failed if so declared by the mediator, or, if the Dispute is not resolved within thirty (30) days of commencing mediation. In lieu of mediation, the parties may mutually agree to another form of alternate disputes resolution (ADR), including binding arbitration, using a mutually agreed arbitrator, or if no agreement, then the arbitrator shall be designated by the JAG. If legal issues are involved in the Dispute, the laws of the State of Colorado shall be the applicable law used to interpret or implement this Agreement. Should any Dispute remain unresolved for any reason within one hundred twenty (120) days following the delivery of the Notice of Dispute, either party shall, thereafter, be free to pursue any remedies available at law or in equity.

12. **Other Developments by Shea Within KCE.** This Agreement is a stand-alone agreement for the Real Property only. However, should Shea purchase or participate as a majority owner in any other development within KCE, other than a single family property, this Agreement shall serve as a basis for agreement between the developer and KCPOA as to that development.

13. **Miscellaneous:**

   a. **Partial Invalidity.** If any provision of this Agreement shall be held invalid or unenforceable under any applicable law, it shall be replaced by an enforceable provision to the same or the nearest possible equivalent effect. In the event there is no enforceable provision to the equivalent effect, such provision shall not apply in such instance. In such event, the all remaining provisions herein shall be given effect in accordance with their terms.

   b. **Entire Agreement/Modification.** This Agreement constitutes the entire agreement between the parties thereto and supersedes all prior oral and written agreements, communications and negotiations between the parties with respect to the subject matter hereof. This Agreement shall not be revised or modified except by written agreement executed by both parties hereto.

   c. **Assignment.** The rights, duties, obligations and privileges of any party to this Agreement may not be assigned without the specific written approval of the other party.
d. **Notices.** Any notice required or provided for in this Agreement shall be in writing. For purposes of this Paragraph, "writing" shall mean either a written communication sent and delivered (i) by any USPS mail service, (ii) electronic mail to a recognized and previously approved address for either Shea or KCPOA (never individual or personal email addresses) or (iii) hand-delivered and which shall be addressed as indicated below or to such other address as Shea or KCPOA may specify hereinafter in writing to the other party.

To Shea:
C. R. Shea Homes, Inc.
9950 Highland Glen Place
Colorado Springs, CO 80920
crs@crshea.com

To KCPOA:
Bennett-Shellenberger Realty, Inc.
Attn: Ms. Stephanie Ammend
1710 East Pikes Peak Avenue, Suite 200
Colorado Springs, CO 80909
stephanie@bsrsince1890.com

With copy to:
President
Kissing Carnels Property Owners Association
c/o Bennett-Shellenberger Realty, Inc.
1710 East Pikes Peak Avenue, Suite 200
Colorado Springs, CO 80909

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e. **Time is of the Essence.** Time is of the essence with respect to each and every covenant, term and condition provided herein.

f. **Duplicate Originals.** The parties agree that this Agreement shall be executed in duplicate originals.

In WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year below their signatures, acknowledging their authority to do so on behalf of Shea and KCPOA, respectively.
SHEA:

C.R. Shea Homes, Inc.
a Colorado corporation

By:  

Charles R. Shea

Title:  

STATE OF COLORADO  

COUNTY OF EL PASO  

The foregoing Agreement was acknowledged before me this 31st day of July, 2013, by Charles R. Shea, as President of C.R. Shea Homes, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 9/01/2015

[SEAL]  

Notary Public

KCPOA:

Kissing Camels Property Owners Association
a Colorado nonprofit corporation

By:  

Charles A. Jordan, President

STATE OF COLORADO  

COUNTY OF EL PASO  

CONNIE L. CRAWFORD  

NOTARY PUBLIC  

My Commission Expires 09/01/2015
The foregoing Agreement was acknowledged before me this 26th day of July, 2013, Charles A. Jordan, as President of the Kissing Camels Property Owners Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 09/01/2015

[SEAL]

CONNEE L. CRAWFORD
Notary Public

Appendix A – Legal Description of the Real Property
Appendix B - Conditions and Approvals Applicable to all Development Plans
EXHIBIT A

A TRACT OF LAND LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER (SW1/4NE1/4) OF SECTION 35, TOWNSHIP 13 SOUTH, RANGE 67 WEST OF THE 6TH P.M., IN THE COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF KISSING CAMELS SUBDIVISION LOT 2 AS RECORDED IN PLAT BOOK C-2 AT PAGE 3 OF THE RECORDS OF SAID EL PASO COUNTY; SAID POINT BEING THE SOUTHEAST CORNER OF INWOOD ROAD AT HILLBROOK LANE, THE FOLLOWING THREE (3) COURSES ARE ON THE EAST RIGHT-OF-WAY LINE OF HILLBROOK LANE; THENCE: 1) N 00 DEGREES 00 MINUTES 00 SECONDS E A DISTANCE OF 338.26 FEET TO A POINT OF CURVE; 2) ON A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 18 DEGREES 40 MINUTES 51 SECONDS, A RADIUS OF 332.42 FEET FOR AN ARC DISTANCE OF 49.09 FEET, WHERE CHORD BEARS N 09 DEGREES 23 MINUTES 09 SECONDS E; 3) N 18 DEGREES 40 MINUTES 31 SECONDS E A DISTANCE OF 23.71 FEET TO A POINT ON A CURVE ON THE SOUTH RIGHT-OF-WAY LINE OF HILL CIRCLE, THE FOLLOWING THREE (3) COURSES ARE ON SAID SOUTH RIGHT-OF-WAY LINE; THENCE: 1) ON A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 26 DEGREES 31 MINUTES 00 SECONDS, A RADIUS OF 784.07 FEET FOR AN ARC DISTANCE OF 333.42 FEET, WHERE CHORD BEARS S 06 DEGREES 42 MINUTES 57 SECONDS W; 2) N 09 DEGREES 57 MINUTES 32 SECONDS W A DISTANCE OF 9.76 FEET; 3) ON A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 32 DEGREES 35 MINUTES 25 SECONDS, A RADIUS OF 345.58 FEET FOR AN ARC DISTANCE OF 316.22 FEET, WHERE CHORD BEARS S 58 DEGREES 39 MINUTES 49 SECONDS TO THE NORTHWEST CORNER OF LOT 1, KISSING CAMELS SUBDIVISION FILING NO. 18, THE FOLLOWING TWO (2) COURSES ARE ON THE WESTERLY BOUNDARY LINE OF SAID LOT 1; THENCE: 1) E 19 DEGREES 43 MINUTES 40 SECONDS W A DISTANCE OF 229.26 FEET; 2) S 58 DEGREES 25 MINUTES 34 SECONDS E A DISTANCE OF 107.01 FEET TO THE SOUTH BOUNDARY LINE OF SAID SW1/4NE1/4; THENCE S 58 DEGREES 26 MINUTES 26 SECONDS W ON SAID SOUTH BOUNDARY LINE, A DISTANCE OF 382.34 FEET TO THE POINT OF BEGINNING.

TO BE KNOWN AS RED ROCK POINT PHASE 3
Appendix B – Shea / Kissing Camels Property Owners Association
Development Parcels Annexed into KCPOA

Conditions and Approvals Applicable to All Development Plans

1. “Lot Line” shall mean the same as defined in the zoning regulations of the City of Colorado Springs and approved as part of the PUD and development plans for particular area.

2. “Setbacks” for respective lots within the filing are defined by the PUD approved, or as shown on the approved development plan.

3. “Minimum Square Footage” shall mean with respect to a dwelling, the square footage of all levels of living space, including the main, upper and basement levels, but shall not include garages. Minimum shall be approximately 2,800 square feet. If home does not include a basement, then minimum shall be 1,650 square feet.

4. “Maximum Height” shall not exceed 26 feet from top of foundation.

5. Mailbox Kiosk shall be as noted on plat.

6. Architectural Control Committee: The KCPOA ACC has not reviewed the four model house plans (four separate house plans with two elevation variations for each plan) proposed by Shea for construction in the development parcel.
   a. The builder agrees that all new house plans or material changes to exterior elevations will be submitted to the KCPOA ACC for review and ACC agrees to work in a timely manner to address these requests.
   b. All Amendments to the Master Plan, Plats and construction drawings must be provided to the KCPOA ACC for review and approved before submitting to the City of Colorado Springs or El Paso County for review and approval, recording and/or requesting a building permit.

7. Landscaping:
   a. Landscape Standards and Landscape Typicals have not been reviewed and approved by the ACC of the KCPOA. A CD of those items has not been provided. It is understood that the standards document is a living document and will be updated occasionally and the ACC will be given this information for review and approval.
   b. For any homes that are sold by Shea where Shea does not provide all of the landscaping, Homebuyers will be required to meet the standards set forth in the Landscape Standards. Homebuyers will be required to submit landscape plans for all landscaping installed by the homebuyer to the ACC for review in accordance with the KCPOA Design Guidelines and pay any associated fees.
8. Landscaping:
   a. Common area landscape buffers will be maintained by The Retreat at Kissing Camels Estates POA.
   b. The landscape buffer along Hillbrook and Hill Circle will be complete prior to the certificate of occupancy for the first home.
9. Shea will establish Bench Marks and Maximum Foundation Elevations for the development and all dwellings built, erected or placed upon any Lot shall be constructed using these elevations.