

## Welcome to Campus Commons!

We're happy to have you in our community. This is our new homeowner packet. It contains:

1. HOA Dues Payment Options
2. Information about the Campus Commons private park
3. Annual home owners meetings, and board meetings
4. Campus Commons Declaration of Covenants, Conditions, and Restrictions
5. Campus Commons Articles of Incorporation and Bylaws
6. Campus Commons Responsible Governance Policy
7. Campus Commons Red Deer Agreement

## Quick "Getting Started" Checklist:

The following checklist is to help you get quickly and easily setup as a new Campus Commons homeowner.

1. Setting up payment options
  - a. Included in this packet is a page listing the available payment options you can use to pay your monthly HOA dues. The board would recommend that you setup the "Automatic Withdraw" method. It helps save our community money and simplifies our book keeping.
  - b. If you have questions about payment options, please contact board member Cathy Claiborne.  
(805) 822-2142  
cathyclaiborne@gmail.com
2. Join our contact list
  - a. We send out occasional email updates about updates in our community. We DO NOT share/sell/distribute your email address. It will only be used for official Campus Commons communiqués. To provide us with your contact information, please contact board member Wayne Marshall.  
(719) 314-6016  
wmarshall521@comcast.net
3. Recover the gate code to the park
  - a. After providing the board with your contact information, visit our website at:  
[www.campuscommonscsco.com](http://www.campuscommonscsco.com)  
Click the "Get Gate Code" button on the right hand side and follow the directions.
  - b. This code is changed periodically to keep our park safe and private. We will send out an email announcement when we change the code, but you can always access it on our site.
4. Find additional information
  - a. If you ever need information, please refer to the "Documents" page on our website. The board would be happy to answer any questions you might have. Please feel free to visit the "Board" page on our site to find the board's contact information.

## **Campus Commons Private Park**

Campus Commons HOA owns our own private park. We are responsible for its upkeep. It has been made private (by means of a gate with keypad code) to protect our residents and our property. The HOA has a Grounds and Park Committee in place to help with upkeep. To help keep our costs low, the committee volunteers their time to help us with park and grounds maintenance. The flowerbed by the Union entrance for example is kept up by this committee. We ask that you respect our park, and please report any suspicious activity to the board. If you suspect criminal activity, please contact CSPD.

## **Annual Home Owners and Board Meetings**

The Campus Commons HOA holds yearly meetings (typically in January). You will receive official notice about the actual date of the meeting prior to the event. This meeting provides the community with updates about the board's actions, and future goals. These meetings may have specific agenda items requiring a community homeowner vote. (For example changing of bylaws.) This is also a session for homeowners to bring up concerns and questions.

Board Meetings are held by the board monthly. Homeowners are welcome to attend these meetings, but the board would ask that you please notify us in advance if you plan to attend to make sure there is room. If you plan on attending a board meeting with an item to discuss, please notify the board in advance so it can be added to the agenda.

## Payment Options

Campus Commons HOA accepts three primary forms of payment:

1. Check – Made out to:  
Campus Commons Homeowners Association  
PO Box 9599  
Colorado Springs, CO 80932
2. Push Payment – Have your bank push your monthly payments to:  
Campus Commons Homeowners Association  
PO Box 9599  
Colorado Springs, CO 80932
3. Automatic Withdraw (Pull) method – Fill out the form following this page. The HOA will then pull your monthly dues from your desired bank account. The board suggests this method as the preferred payment option as it is the easiest for homeowners, and easier for book keeping.

If you have any questions about payment options, please contact board member Cathy Claiborne.  
(805) 822-2142  
[cathyclaiborne@gmail.com](mailto:cathyclaiborne@gmail.com)

**Preauthorized Electronic Assessment Payment Authorization Form (please print)**

ASSOCIATION NAME: CAMPUS COMMONS

ACCOUNT NUMBER: 106992

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NAME(S)          LAST                  FIRST                  MI

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NAME(S)          LAST                  FIRST                  MI

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PROPERTY ADDRESS

---

CITY                                  STATE                          ZIP

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DAYTIME PHONE NUMBER

I (we) hereby authorize the Board of Directors of Campus Common Homeowners Association, hereinafter referred to as the Board, to initiate debit entries to my (our) checking/savings account at the depository named below to debit the same to such account.

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DEPOSITORY (BANK) NAME

This authority is to remain in full force and effect until the Board has received written notification from me (or either of us) of its termination in such manner as to afford the Board a reasonable opportunity to act on it.

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SIGNATURE (REQUIRED)                                  DATE

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SIGNATURE (REQUIRED)                                  DATE

**ATTACH VOIDED CHECK WITH THIS AGREEMENT AND MAIL BOTH TO:**

Campus Commons Homeowners Association  
PO Box 9599  
Colorado Springs, CO 80932

Authorization must be received by the 20<sup>th</sup> day of the current month for processing to start the following month.

0960 6183

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BOOK 6912 PAGE 386

ARDIS W. S. 'TTT  
REPRODUCED BY THE COUNTY CLERK'S OFFICE

①

210<sup>00</sup>  
1<sup>00</sup>

County Clerk & Recorder, Order to Grant  
under Campus Commons Homeowners  
Association and Order Granting as the Property of  
America, Inc.

TABLE OF CONTENTS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
CAMPUS COMMONS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
CAMPUS COMMONS

ARTICLE I

DEFINITIONS

Section 1.1 "Association" .....

Section 1.2 "Owner" .....

Section 1.3 "Property" .....

Section 1.4 "Expansion Property" .....

Section 1.5 "Common Area" .....

Section 1.6 "Lot" .....

Section 1.7 "Declaration" .....

Section 1.8 "Declaration" .....

Section 1.9 "Declaration" .....

Section 1.10 "Improvements" .....

Section 1.11 "Member" .....

Section 1.12 "Mortgage" .....

Section 1.13 "First Mortgage" .....

Section 1.14 "Mortgage" .....

Section 1.15 "Project" .....

Section 1.16 "Architectural Control Committee" .....

Section 1.17 "Owner's Proportional Share" or "Proportional Interest" .....

Section 1.18 "Dwelling Unit" .....

Section 1.19 "Landscaping" .....

Section 1.20 "Air" .....

Section 1.21 "Lot Lines" .....

Section 1.22 "Segmental Plan" .....

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREA

Section 2.1 "Use of the Common Area" .....

Section 2.2 "Plan Division of Common Area" .....

Section 2.3 "Owner's Common Area Interest" .....

Section 2.4 "Share of Owner's Common Area Interest" .....

Section 2.5 "Other Easements" .....

(a) "Utilities Easements" .....

(b) "Accession Easements" .....

(c) "Easements" .....

(d) "Easement for Access and Egress" .....

(e) "Easement" .....

Section 2.6 "Disposition of Use" .....

Section 2.7 "Disposition of Common Area" .....

Section 2.8 "Reserved Easements" .....

El Paso County Clerk & Recorder: Index in Grantee  
Indexes under Campus Commons Homeowners  
Association and under Grantor as Elite Properties of  
America, Inc.

TABLE OF CONTENTS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
CAMPUS COMMONS

Page

ARTICLE I

**DEFINITIONS** ..... 2

Section 1.1 "Association" ..... 2

Section 1.3 "Owner" ..... 2

Section 1.4 "Property" ..... 2

Section 1.5 "Expansion Property" ..... 2

Section 1.6 "Common Area" ..... 2

Section 1.7 "Lot" ..... 2

Section 1.8 "Declaration" ..... 2

Section 1.9 "Declarant" ..... 3

Section 1.10. "Improvements" ..... 3

Section 1.11 "Member" ..... 3

Section 1.12 "Mortgage" ..... 3

Section 1.13 "First Mortgage" ..... 3

Section 1.14. "Mortgagee" ..... 3

Section 1.15 "Project" ..... 3

Section 1.16 "Architectural Control Committee" ..... 4

Section 1.17. "Owner's Proportionate Share" or "Proportionate Interest" ..... 4

Section 1.18 "Dwelling Unit" ..... 4

Section 1.19 "Landscape" ..... 4

Section 1.20 "Act" ..... 4

Section 1.21 "Lot Lines" ..... 4

Section 1.22 "Supplemental Plat" ..... 4

ARTICLE II

**PROPERTY RIGHTS IN THE COMMON AREA** ..... 4

Section 2.1 Title to the Common Area ..... 4

Section 2.2 Non-Division of Common Area ..... 4

Section 2.3 Owners' Common Area Easement of Enjoyment ..... 5

Section 2.4 Extent of Owners' Common Area Easement ..... 5

Section 2.5 Other Easements ..... 5

(a) Utility Easements ..... 5

(b) Association Easement ..... 6

(c) Emergency Easement ..... 6

(d) Easement for Ingress and Egress ..... 6

(e) Troy Court ..... 6

Section 2.6 Delegation of Use ..... 6

Section 2.7 Non-Dedication of Common Area ..... 6

Section 2.8 Recorded Easements ..... 7

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS ..... 7  
 Section 3.1 Membership ..... 7  
 Section 3.2 Declarant Control ..... 7

ARTICLE IV

COVENANT FOR ASSESSMENTS ..... 8  
 Section 4.1 Creation of the Obligation for Assessments ..... 8  
 Section 4.2 Purpose of Assessments ..... 8  
 Section 4.3 Annual Assessments ..... 8  
 Section 4.4 Limit on Annual Assessments ..... 9  
 Section 4.5 Special Assessments ..... 9  
 Section 4.6 Procedure for Assessment Under Sections 4 and 5 ..... 9  
 Section 4.7 Rate of Assessment ..... 10  
 Section 4.8 Assessment Procedure ..... 10  
 (a) Annual Assessments ..... 10  
 (b) Special Assessments and Other Sums ..... 10  
 (c) Notice ..... 10  
 Section 4.9 Certificate of Payment ..... 10  
 Section 4.10 Effect of Nonpayment of Assessments-Remedies of the Association ..... 11  
 (a) General ..... 11  
 (b) Lien ..... 11  
 (c) Authority ..... 11  
 Section 4.11 Working Capital ..... 12  
 Section 4.12 Subordination of the Lien to Mortgages ..... 12  
 Section 4.13 Notice to Mortgagee and Inspection of Books ..... 12  
 Section 4.14 Homestead ..... 12  
 Section 4.15 Exempt Property ..... 12

ARTICLE V

MAINTENANCE ..... 13  
 Section 5.1 Association Maintenance ..... 13  
 Section 5.2 Willful or Negligent Damage ..... 13  
 Section 5.3 Owner Maintenance ..... 13  
 Section 5.4 Management Agreements and Other Contracts ..... 13

ARTICLE VI

ARCHITECTURAL CONTROL ..... 14  
 Section 6.1 Composition of Committee ..... 14  
 Section 6.2 Review by Committee ..... 14  
 Section 6.3 Procedures ..... 15  
 Section 6.4 Officers and Agents Excused from Liability ..... 15  
 Section 6.5 Declarant Can Remedy Violations ..... 15  
 Section 6.6 Declarant's Rights to Complete Development of the Property ..... 16  
 Section 6.7 Provisions Regarding Exercise of Declarant's Reserved Rights ..... 16

ARTICLE VII

RESTRICTIONS ..... 16  
 Section 7.1 General Plan ..... 16  
 Section 7.2 Leases ..... 17  
 Section 7.3 Residential Use ..... 17  
 Section 7.4 Building Materials ..... 17  
 Section 7.5 Completion of Construction ..... 17

Section 7.6	<u>Construction Debris</u> .....	17
Section 7.7	<u>Garage and Driveway</u> .....	17
Section 7.8	<u>Setbacks</u> .....	17
Section 7.9	<u>Compliance with Building Codes</u> .....	18
Section 7.10	<u>Minimum Floor Area</u> .....	18
Section 7.11	<u>Height</u> .....	18
Section 7.12	<u>General Architectural Standards</u> .....	18
Section 7.13	<u>General Building Standards</u> .....	19
Section 7.14	<u>Fences</u> .....	19
Section 7.15	<u>Landscaping</u> .....	19
Section 7.16	<u>Aerials, Solar Devices and Antennas</u> .....	19
Section 7.17	<u>Maintenance of Structures</u> .....	19
Section 7.18	<u>Destroyed or Damaged Structure</u> .....	19
Section 7.19	<u>No Unsightly Condition</u> .....	19
Section 7.20	<u>Garage Doors</u> .....	19
Section 7.21	<u>Maintenance Equipment</u> .....	19
Section 7.22	<u>Grading</u> .....	19
Section 7.23	<u>Animals</u> .....	19
Section 7.24	<u>Signs</u> .....	20
Section 7.25	<u>Structures</u> .....	20
Section 7.26	<u>Lots to be Maintained</u> .....	20
Section 7.27	<u>Lots Not to be Subdivided</u> .....	20
Section 7.28	<u>No Noxious or Offensive Activity</u> .....	20
Section 7.29	<u>No Hazardous Activities</u> .....	20
Section 7.30	<u>No Annoying Light, Sounds or Odors</u> .....	21
Section 7.31	<u>Restrictions on Parking and Storage</u> .....	21
Section 7.32	<u>Clotheslines and Storage</u> .....	21
Section 7.33	<u>Garbage and Refuse Disposal</u> .....	21
Section 7.34	<u>Repair</u> .....	21
Section 7.35	<u>Underground Electric Lines</u> .....	21
Section 7.36	<u>Use of Common Area</u> .....	21
Section 7.36	<u>Sales and Construction Facilities and Activities of Declarant</u> .....	22
ARTICLE VIII	.....	22
INSURANCE	.....	22
Section 8.1	<u>Common Insurance</u> .....	22
(a)	<u>Property</u> .....	23
(c)	<u>Workmen's Compensation</u> .....	23
(d)	<u>Fidelity Insurance</u> .....	23
(e)	<u>Officers' and Directors' Personal Liability Insurance</u> .....	23
(f)	<u>Other Insurance</u> .....	23
(g)	<u>Notice of Unavailability</u> .....	23
Section 8.2	<u>Form of Issuance</u> .....	23
Section 8.3	<u>Owner's Personal Property and Liability Insurance</u> .....	24
ARTICLE IX	.....	24
DAMAGE, DESTRUCTION, CONDEMNATION AND MERGER	.....	24
Section 9.1	<u>Damage or Destruction of Common Area</u> .....	25
Section 9.2	<u>Condemnation</u> .....	25
Section 9.3	<u>Repair and Reconstruction</u> .....	25
Section 9.4	<u>Excess Insurance Proceeds</u> .....	25
Section 9.5	<u>Notice of Loss to First Mortgagees</u> .....	25
Section 9.6	<u>Merger</u> .....	26
ARTICLE X	.....	26
PHASED DEVELOPMENT	.....	26

Section 10.1 Right to Expand ..... 26  
 Section 10.2 Procedure for Expansion ..... 26  
 Section 10.3 Effect of Expansion ..... 26

ARTICLE XI

ADDITIONAL RESTRICTIONS ..... 28  
 Section 11.1 Restrictions Upon Association and Owners ..... 28  
 Section 11.2 Additional Restrictions During Declarant Control ..... 28  
 Section 11.3 Implied Approval by Mortgagee ..... 29

ARTICLE XII

GENERAL PROVISIONS ..... 29  
 Section 12.1 Acceptance of Provisions of All Documents ..... 29  
 Section 12.2 Enforcement ..... 29  
 Section 12.3 Non-Waiver ..... 29  
 Section 12.4 Cumulative ..... 29  
 Section 12.5 Severability ..... 30  
 Section 12.6 Conflicts of Provisions ..... 30  
 Section 12.7 Duration and Amendment ..... 30  
 Section 12.8 Registration by Owner of Mailing Address ..... 30  
 Section 12.9 Assignment of Declarant's Rights ..... 31  
 Section 12.10 Number and Gender ..... 31  
 Section 12.11 Captions ..... 31  
 Section 12.12 Governing Law ..... 31

AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
CAMPUS COMMONS  
A Planned Residential Community

THIS AMENDED AND RESTATED DECLARATION, is made and entered as of the date shown below (the "Declaration"), by ELITE PROPERTIES OF AMERICA, INC., a Colorado corporation, hereinafter called "Declarant" for itself, its successors and assigns.

WITNESSETH:

WHEREAS, that certain Declaration of Covenants, Conditions and Restrictions for Campus Commons Patio Homes was recorded in Book 6243 at Page 199 of records of El Paso County, Colorado, as amended by that certain First Amendment to and Subordination of Declaration of Covenants, Conditions and Restrictions for Campus Commons Patio Home Association recorded in Book 6316 at Page 35 (jointly, the "Initial Covenants");

WHEREAS, the Initial Covenants encumber that certain real property described on Exhibit A attached hereto and incorporated herein by this reference (the "Unplatted Property");

WHEREAS, the Unplatted Property was platted as Campus Commons in Plat Book F-5 at Page 11 of the records of El Paso County, Colorado (the "Initial Platted Property");

WHEREAS, Declarant is the owner of at least 67 percent of the lots within the Initial Platted Property and Section 13.02 of the Initial Covenants provides that the Initial Covenants may be amended by the affirmative assent or vote of not less than 67 percent of the lot owners;

WHEREAS, Declarant has previously replatted the Initial Platted Property into single family lots rather than patio homes and modified the layout of the Initial Platted Property;

WHEREAS, Declarant desires to amend and restate the Initial Covenants to reflect the modifications of the Initial Platted Property and to otherwise provide different covenant provisions; and

WHEREAS, the Declarant desires to submit the Property (as defined in Section 1.4) to the covenants, terms and provisions hereof.

NOW, THEREFORE, the Initial Covenants are hereby amended and restated in their entirety as set forth in this Declaration and the Declarant hereby declares that all of the Property, with all appurtenances, facilities and improvements thereon, shall be held, sold, used, improved, occupied, owned, resided upon, hypothecated, encumbered, liened, and conveyed subject to the following easements, reservations, uses, limitations, obligations, restrictions, covenants, provisions and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and all of which shall run with the land and be binding on and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, their heirs, successors, and assigns. The Declarant further declares that the Project (defined in Article I) shall be created pursuant to the Colorado Common Interest Ownership Act (C.R.S. 38-33.3-101 et seq.) as it may be amended, repealed or modified from time to time (the "Act").

ARTICLE I  
DEFINITIONS

The capitalized terms not otherwise defined in this Declaration shall have the meanings stated in the Act, except as otherwise provided herein:

Section 1.1 "Association" shall mean and refer to Campus Commons Homeowners Association, a Colorado Non-Profit Corporation, which has been or shall be organized under the laws of the State of Colorado prior to the conveyance of the first Lot in the Project following the date hereof, its successors and assigns.

Section 1.2. "Board" means the Board of Directors of the Association and shall also be the "executive board" as defined under the Colorado Common Interest Ownership Act. Except as specified herein, or in the Association's Articles of Incorporation or Bylaws or C.R.S. 38-33.3-303(3), the Board may act on behalf of the Association without any vote or consent of the members.

Section 1.3 "Owner" means any person, corporation, partnership, association, contract sellers or other legal entity or any combination thereof, including Declarant, who owns the record fee simple interest in one or more Lots and shall include the purchaser under any executory land sales contract wherein the Administrator of Veteran's Affairs is seller, whether recorded or not, and whether owned by said Administrator or his assigns. The term "Owner" shall include any grantee, transferee, heir, successor, personal representative, executor, administrator, devisee, and assign of any Owner but shall not refer to any Mortgagee as herein defined, or other person or entity having an ownership interest in any Lot merely as security for the performance of an obligation, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. This term shall have the same meaning as "unit owner" under the Act.

Section 1.4 "Property" shall mean and refer to that certain real property described on Exhibit "A" hereto, together with all appurtenances thereto and all improvements now or hereafter thereon and shall include any real property which is hereafter annexed to the Project pursuant to Article X hereof.

Section 1.5 "Expansion Property" shall mean and refer to any part of that certain real property described on Exhibit "B" hereto, which may be annexed to the Project pursuant to Article X hereof, together with all appurtenances thereto and all improvements now or hereafter thereon.

Section 1.6 "Common Area" shall mean all portions of the Property, which are owned or leased by the Association including all improvements thereon, as well as any easements owned by the Association, for the common use and enjoyment of the members of the Association and shall include any Common Area located upon any real property which is hereafter annexed to the Project pursuant to Article X hereof. This term shall have the same meaning as "common elements" under the Act and may be reallocated pursuant to C.R.S. 38-33.3-207.

Section 1.7 "Lot" shall mean and refer to any lots shown on recorded plat or plats of the Property, (which plats are incorporated herein by this reference and which may be recorded herewith, together with any certifications or other documents) upon which one Dwelling Unit may be constructed pursuant to the ordinances of the City of Colorado Springs, together with all appurtenances thereto and improvements now or hereafter constructed thereon, and which is not part of the Common Area and shall include any lot located upon any real property which is hereafter annexed to the project pursuant to Article X hereof. This term shall have the same meaning as "unit" under the Colorado Common Interest Ownership Act. The boundaries of any Lot may be relocated pursuant to C.R.S. 38-33.3-212. The boundaries of the Lots shall be shown on any recorded plat of the Property which shall be incorporated herein by this reference.

Section 1.8 "Declaration" means this Declaration as contained herein and as it may be amended or supplemented from time to time as herein provided, which shall be indexed in the

ntee's index in the name of the Project and the Association and in the grantor's index in the name of the Declarant executing the Declaration. A copy of the Declaration shall be delivered to the assessor of the county in which the Property is located, after recording.

Section 1.9 "Declarant" shall mean and refer to Elite Properties of America, Inc., a Colorado corporation, its agents, employees, contractors, successors and assigns to whom it expressly transfers all or any part of its rights as Declarant hereunder, in compliance with C.R.S. 38-33.3-304. The Declarant hereby reserves any and all "special declarant rights" and "development rights" as created or set forth in the Act and any other rights as set forth herein. Any such rights shall apply to the Property and Expansion Property and shall terminate upon the earlier of ten years from the date of recording hereof or as otherwise provided herein. The "Period of Declarant Control" means that period during which the Declarant, or persons designated by Declarant, may appoint and remove the officers and members of the Board as set forth in Article III hereof.

Section 1.10. "Improvements" shall mean all structures and any appurtenances thereto or components thereof of every type or kind, including, but not limited to, buildings, fences, outbuildings, swimming pools, patio covers, awnings, painting or other finish material of any exterior surfaces of any visible structure, additions, walkways, bicycle and/or pedestrian trails, sprinkler pipes, garages, carports, roads, driveways, parking areas, concrete, paving, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, mailboxes, exterior tanks, solar equipment, satellite dishes, and exterior air conditioning and water softener fixtures, and any alterations, changes or modifications to the foregoing. "Improvements" shall also mean an 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.

Section 1.11 "Member" shall mean and refer to every person or entity who holds membership in the Association or, following termination of the Project, of all former unit owners entitled to distributions of proceeds under C.R.S. 38-33.3-218, or their heirs, personal representatives, successors or assigns.

Section 1.12 "Mortgage" means and refers to any mortgage, deed of trust or other assignment or comparable security instrument recorded in the real property records of the office of the Clerk and Recorder of the county in which the Property is located, and by which a Lot or any part thereof is encumbered. The term shall include a "security interest" as defined by the Act. The term shall also include any executory land sales contract wherein the Administrator of Veteran's Affairs, an officer of the United States of America, is the original seller, whether such contract is recorded or not (but if not recorded, then written notice thereof shall be delivered to the Board) and whether such contract is owned by the said Administrator or has been assigned by the said Administrator and is owned by the Administrator's assignee, or a subsequent assignee who has notified the Board in writing of such assignment.

Section 1.13 "First Mortgage" shall mean a Mortgage upon a Lot having priority of record over all other recorded encumbrances and liens thereon, except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments). "First Mortgagee" means a mortgagee whose encumbrance is a First Mortgage.

Section 1.14. "Mortgagee" means any person or entity, or any successor or assign thereof, which holds or owns a Mortgage. The term shall also include the Administrator of Veteran's Affairs, an officer of the United States of America, and his assigns under any executory land sales contract wherein the said Administrator is identified as the seller, whether such contract is recorded or not but if not recorded, then written notice thereof shall be delivered to the Board.

Section 1.15 "Project" means all of the Property, together with improvements and rights, and improvements located on the Property and all rights, easements and appurtenances belonging thereto, and shall include any real property subsequently annexed or added to the Project. This term

ll have the same meaning as "common interest community" and "planned community" under the

Section 1.16 "Architectural Control Committee" shall mean the committee of three or more persons appointed by the Declarant or Association to review and approve the plans for all improvements constructed on the Property.

Section 1.17. "Owner's Proportionate Share" or "Proportionate Interest" means that percentage of the total which is equal to such Owner's fractional or percentage interest as set forth in Exhibit "C" attached hereto and incorporated herein by this reference and which is subject to adjustment in the event that the Project is expanded as herein provided. The percentage shall be based upon the entire number of Lots within the Project and the Owner's per Lot percentage thereof. Each Lot within the Project, regardless of the size of the Lot or Improvements thereon, shall have an equal Proportionate Interest. These terms shall have the same meaning as "allocated interest" under the Act.

Section 1.18 "Dwelling Unit" shall mean an Improvement on a Lot which is intended or used for residential occupancy.

Section 1.19 "Landscape" shall mean the treatment of ground surface with live plant materials, wood chips, crushed stone, decorative rocks, mulch materials or other decorative surfacing materials approved by the Architectural Committee. For purposes of this definition, the word "Landscape" shall include all other forms of the word landscape, such "landscaped" and "landscaping."

Section 1.20 "Act" shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101, et seq.

Section 1.21 "Lot Lines" shall mean front, side and rear Lot Lines 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 street. A side Lot Line is any boundary line which meets and forms an angle with a street except that for a corner Lot with two front Lot Lines, the side Lot Line is the boundary which forms an angle with the street that affords the principal access to the Lot. A rear Lot Line is any Lot Line that is neither a front nor a side Lot Line.

Section 1.22 "Supplemental Plat" shall mean a plat satisfying the requirements of Section 209 of the Colorado Common Interest Ownership Act, Section 38-33.3-209, Colorado Revised Statutes, recorded pursuant to and meeting the requirements of Article X of this Declaration, which creates new Lots. The term Supplemental Plat shall also include any plat meeting the requirements of Section 209 of the Colorado Common Interest Ownership Act which changes the boundaries of any Lot or Lots or which is recorded in conjunction with any amendment to this Declaration.

## ARTICLE II

### PROPERTY RIGHTS IN THE COMMON AREA

Section 2.1 Title to the Common Area. Subject to the limitations and restrictions of this Declaration, title to the Common Area shall be conveyed in fee simple, free and clear of all encumbrances, by the Declarant to the Association, prior to the conveyance of the first Lot in any phase following the date of this Declaration.

Section 2.2 Non-Division of Common Area. The Common Area shall remain undivided and shall not be subject to partition. By the acceptance of his deed or other instrument of conveyance or assignment, each Owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the Common Area. Each Owner specifically agrees not to institute any action therefor. Further, each Owner agrees that this Section may be pleaded as a bar to the maintenance of such an action. A violation of this provision shall

entitle the Association to personally collect, jointly and severally, from the parties violating the same, the actual attorney fees, costs and other damages the Association incurs in connection therewith. It is agreed by all Owners that the foregoing restrictions are necessary to preserve the rights of all Owners regarding the operation and management of the Common Area. Nothing contained herein shall be construed as a limitation of the right of legal partition of a Lot between the Owners thereof, but such legal partition shall not affect any other Lot, nor shall any such partition sever any part thereof from such Lot as a whole.

Section 2.3 Owners' Common Area Easement of Enjoyment. Subject to the limitations and restrictions of this Declaration, every Owner shall have an equal, nonexclusive right and easement of enjoyment in and to the Common Area, including without limitation the right of ingress and egress to and from any public street, or any recreational facilities completed upon the Common Area, and such easement shall be appurtenant to and shall pass with the title to every Lot without the necessity of additional reference.

Section 2.4 Extent of Owners' Common Area Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to enforce the restrictions contained in Article V.0(f) of this Declaration and to promulgate and publish rules and regulations which every Owner, his family members, guests, tenants, and contractors shall strictly comply with, including, but not limited to, the right of the Association to establish reasonable charges for the use of all or a portion of the Common Area if deemed necessary;

(b) The right of the Association, as provided in its Articles or Bylaws, to suspend an Owner's voting rights and the right to the use of the Common Area for any period during which such Owner is in default under this Declaration, including without limitation the non-payment of any assessment levied by the Association, and to make such suspensions for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to close or limit the use of the Common Area while maintaining, repairing and making replacements in the Common Area;

(d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes, subject to the provisions of Article XI hereof and C.R.S. 38-33.3-312, and subject to such conditions as may be imposed by the public entity; for example, if any interior streets are private and have not been built to city or county specifications and so might not be accepted by them;

(e) The rights of the Association as set forth in the Association's Articles of Incorporation and Bylaws, including, without limitation, to borrow money for the purpose of improving the Common Area and, subject to the provisions of Article XI and C.R.S. 38-33.3-312, to mortgage said property as security for any such loan; and

(f) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure.

Section 2.5 Other Easements.

(a) Utility Easements. Notwithstanding any provision of this Declaration to the contrary, Declarant reserves the right to create, grant and transfer non-exclusive easements in, under, over, across, through, and upon the Common Area and each of the eight-foot or such other strips along and adjoining each rear Lot Line of each Lot as shown on the applicable plat, and each of the five-foot strips along and adjoining each side boundary line of each Lot as shown on the applicable plat for the purpose of installing, maintaining, repairing and replacing any utilities or related services, including but not limited to any gas, electric, water or sewer line, mains or laterals, any telephone and cable television lines, any heating or cooling installations, any master television antenna system, or for other public purposes consistent with the intended use of the Property under

Declaration. The foregoing easements shall include, without limitation, the right of ingress and egress, the right to erect and maintain the necessary pipes, wires, poles and other equipment, subject to the restrictions of Section 7.17, and the right to enter into agreements relating to such utility service and easements; all of which shall be binding upon the Association and the Owners. Should any person or party furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant shall have the right to grant such easement on the Property without conflicting with the terms hereof. The foregoing easements shall be in addition to any other recorded easements on the Property, including, but not limited to, any easements granted in the recorded subdivision map. The rights reserved herein for Declarant shall pass to the Association upon the termination of the Period of Declarant Control, and any and all of the covenants, terms, provisions, rights and duties arising from such easements granted by the Declarant and any related agreements shall thereupon pass to the Association and be assumed by it in place of the Declarant. Any consideration for any such easement shall be delivered to and become the property of the Association, whether the grant of easement was made by the Declarant or by the Association.

(b) Association Easement. A non-exclusive easement is hereby granted to the Declarant and the Association, its officers, agents, employees and assigns upon, across, over, in and under the Common Area and any Lot as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration or otherwise, including without limitation any maintenance required or permitted hereunder, and inspection, maintenance, repair, replacement, construction or reconstruction of any facilities on the Common Areas; provided, however, that entry into any Lot in non-emergency situations shall only be made after service of reasonable written notice and during regular business hours, and, under emergency circumstances, shall only be made after such notice, if any, as is reasonable under the circumstances.

Give notice to Owner except in time of emergency.

(c) Emergency Easement. A non-exclusive easement is further granted to all police, fire protection, ambulance and all similar persons to enter upon the Property and Common Area in the performance of their duties.

(d) Easement for Ingress and Egress. Subject to the provisions of this Declaration, each Owner, his agents and guests are hereby granted a perpetual non-exclusive easement over any streets, roadways, driveways, and sidewalks, which are located upon the Common Area, for the purpose of vehicular and pedestrian ingress to and egress from such Owner's Lot. Subject to the provisions of Section 2.5(e) below, if any of the streets or roadways upon the Property are private streets, Declarant shall have the right to relocate any portion of them, but only if it provides all Owners with reasonable access to their Lots, and Declarant may also dedicate any portion of any private street or roadway upon the Property as a public right-of-way, in which case, if accepted by a public entity, the Association's obligations for repair and maintenance of the road shall cease. Furthermore, Declarant hereby reserves a non-exclusive easement across, over and under any such private streets or roadways for ingress, egress and the installation of utilities to any part of the Expansion Property and over, under and through the Common Area for the exercise of any special Declarant right hereunder or under the Act.

(e) Troy Court. Each Owner hereby acknowledges that the Association and Red Deer Condominium Association, Inc. ("Red Deer") share a private street known as Troy Court and that Red Deer has been granted those certain easements and rights which are set forth in the Declaration of Covenants and Easements Red Deer Condominiums and Campus Commons recorded on November 9, 1993 in Book 6306 at Page 1293 of the records of El Paso County, Colorado (the "Troy Court Agreement") regarding that portion of Troy Court which is owned by the Association. In addition, the Troy Court Agreement grants the Association and each Owner certain easements and rights in connection with that portion of Troy Court which is owned by Red Deer. Each Owner hereby acknowledges that its use and enjoyment of Troy Court is expressly subject to the Troy Court Agreement and that the Association and each Owner is bound by all of the terms and conditions thereof, including but not limited to the maintenance and insurance responsibilities described therein.

Section 2.6 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants,

his guests, or contract purchasers who reside on his Lot. Each Owner shall, to the extent permitted by law, be liable for any damage done to the Common Area by his family, tenants, guests, or contract purchasers and for any breach of the Association's rules and regulations by such persons.

Section 2.7 Non-Dedication of Common Area. Declarant, in recording this Declaration, has designated certain areas of land as Common Area intended for the common use and enjoyment of Owners for recreation and other related activities. The Common Area is not dedicated hereby for use by the general public but is dedicated to the common use and enjoyment of the Owners, as more fully provided in this Declaration.

Section 2.8 Recorded Easements. The Property, and all portions thereof, shall be subject to all recorded licenses and easements including without limitation any as shown on any plat, recorded now or hereafter, affecting the Property, or any portion thereof, and additionally subject to those recorded easements and matters shown on Exhibit A-1 attached hereto.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Membership. The following shall be members of the Association: the Declarant (so long as the Declarant owns a Lot) and every Owner of a Lot which is subject to assessment hereunder. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. Except as provided herein, each Lot shall have one vote. Notwithstanding anything herein to the contrary, the Declarant shall have the right to appoint a Board of Directors and to operate the Association until the Period of Declarant Control is terminated, and the Association shall not begin to function through its other Members until such time, unless the Declarant otherwise consents in writing.

Section 3.2 Declarant Control. The Association shall have one class of voting membership who shall be the Owners. The Owners shall elect all the members of the Board, following the termination of the Period of Declarant Control, as set forth as follows:

(a) Notwithstanding anything herein to the contrary, the Declarant shall have the right to appoint the Board and to control the Association as follows: During the Period of Declarant Control, the Declarant, or persons designated by Declarant, subject to certain limitations, may appoint and remove the officers and members of the Board. The Period of Declarant Control shall terminate no later than the earlier of: (1) sixty days after conveyance of 75 percent of the Lots that may be created to Owners other than a Declarant; (2) two years after Declarant has last conveyed a Lot in the ordinary course of business; or (3) two years after any right to add new Lots was last exercised, but not to exceed ten years after the first Lot in the Project is conveyed to a purchaser following the date hereof. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the Period of Declarant Control, but in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

(b) Not later than 60 days after conveyance of twenty-five percent (25%) of the Lots that may be created to Owners other than a Declarant, at least one member, and not less than twenty-five percent (25%) of the members of the Board shall be elected by Owners other than a Declarant. Not later than 60 days after conveyance of fifty percent (50%) of the Lots that may be created to Owners other than a Declarant, not less than one-third (1/3) of the members of the Board must be elected by Owners other than a Declarant.

(c) Except as otherwise provided above, not later than the termination of any Period of Declarant Control, the Owners shall elect a Board of at least three members, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners

other than the Declarant. The Board shall elect the officers. These Board members and officers shall take office upon termination of the Period of Declarant Control.

(d) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Owners, by a sixty-seven percent (67%) vote (based upon one vote per Lot) of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present following the termination of the Period of Declarant Control, may remove any member of the Board with or without cause, other than a member appointed by the Declarant.

(e) Within sixty days after the Owners other than Declarant elect a majority of the members of the Board, the Declarant shall deliver to the Association all property and items described by C.R.S. 38-33.3-303(9).

#### ARTICLE IV

#### COVENANT FOR ASSESSMENTS

Section 4.1 Creation of the Obligation for Assessments. Each Owner, for each Lot owned within the Property, by acceptance of a deed therefor or interest therein, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association, in the manner, amounts and times prescribed herein, all assessments, charges, fees, fines and other sums which are described in this Declaration and which shall be both a personal obligation of the Owner and a lien against his Lot as provided herein. Each Owner shall be jointly and severally liable to the Association for the payment of all assessments, charges, fees and other sums attributable to them and/or their Lot. The personal obligation for delinquent assessments and sums 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, charges, fees and other sums provided for herein by non-use of the Common Area 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, as well as all charges for utilities servicing his Lot.

Section 4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and to fulfill the purpose and obligation of the Association including, but not limited to, improvement and maintenance in a first class condition of the Common Area and the Lots as more specifically provided herein.

Section 4.3 Annual Assessments. The annual assessment shall specifically include, but shall not be limited to, all Common Expenses as defined by the Act and the following:

- (a) expenses of management of the Association and its activities;
- (b) taxes and special assessments upon the Association's real and personal property including, without limitation, the Common Area;
- (c) premiums for all insurance which the Association is required or permitted to maintain and any other expenses connected with such insurance;
- (d) common lighting, water and other common utility and sewer service charges; and any other common expenses including without limitation snow removal from private streets and sidewalks within the Common Area, and common trash collection if approved by the Board.
- (e) all maintenance, insurance and other costs related to the Troy Court

Agreement.

- Association;
- (f) landscaping and care of the Common Area and any recreational or other Association facilities or Improvements located thereon;
  - (g) such repairs and maintenance which are the responsibility of the Association;
  - (h) wages for Association employees;
  - (i) legal and accounting fees for the Association;
  - (j) any deficit remaining from a previous assessment year;
  - (k) a working capital fund;
  - (l) the creation of reasonable contingency reserves, surpluses, and sinking funds, and adequate reserve funds for maintenance, repairs and replacement of those elements of common property or maintenance that must be done or replaced on a periodic basis and are payable in regular installments, rather than by special assessments;
  - (m) the creation of reasonable contingency reserves for any applicable insurance deductibles; and
  - (n) any other costs, expenses, and fees which may be incurred or may reasonably be expected to be incurred by the Board, in its sole discretion, for the benefit of the Owners under or by reason of this Declaration.

The Association shall also have authority, to the extent it deems proper, to provide any other services requested by particular Owners, but only on a contract basis under which those Owners pay the cost thereof. The Association may enter into cooperative arrangements for provision of services with other homeowner associations in the surrounding area and may assume responsibility for that part of the cost fairly attributable to this Project.

Section 4.4 Limit on Annual Assessments. Until January 1, 1997, the maximum annual assessment shall be as shown on Exhibit "C" attached to this Declaration.

(a) From and after January 1, 1997 (the "Base Year"), the maximum annual assessment may be increased each year, without a vote of the membership, by not more than the greater of ten percent (10%) per annum or the cumulative rise from the Base Year, if any, shown by the most recent annual Consumer Price Index (published by the Department of Labor, Washington, D.C. or any comparable successor index as shown by an average of the following items or more comparable items: Housing - General Shelter - Homeowners Costs and Fuel and Other Utilities) for the Denver metropolitan area.

(b) From and after January 1, 1997, the maximum annual assessment may be increased above the limitation which is set forth in paragraph (a) above by a vote of the Members pursuant to the procedure set forth in Section 4.6 of this Article.

(c) The Association's Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4.5 Special Assessments. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of an emergency situation or of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto or any Improvements located therein.

Section 4.6 Procedure for Assessment Under Sections 4 and 5. Any assessment under Section 4.5 or requiring a vote of the Owners under Section 4.4 of this Article shall require the

approval, pursuant to a meeting described below, of Owners of Lots to which at least sixty-seven percent (67%) of the votes (based upon one vote for each Lot) in the Association are attached, who are voting in person or by proxy at that meeting duly called for that purpose, and not less than sixty-seven percent (67%) of the First Mortgagees who are voting at that meeting. Written notice of any meeting called for the purpose of taking such action shall be sent to all Owners and First Mortgagees not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast sixty percent (60%) of all the votes (based upon one vote for each Lot) of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.7 Rate of Assessment. Except as provided herein, both annual and special assessments shall be on an equal per Lot basis as shown on Exhibit "C" attached, sufficient to meet the expected needs of the Association. If an Owner's Proportionate Share is reallocated due to expansion of the Project pursuant to Article X hereof or to other provisions of this Declaration, assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Owner's Proportionate Share. Assessments shall be applicable to all Lots following their annexation to the Project, including those owned by the Declarant.

Section 4.8 Assessment Procedure.

(a) Annual Assessments. No later than thirty (30) days before the beginning of each annual assessment period, the Board of Directors of the Association shall set the total annual assessment based upon advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during the following assessment year. The annual budget shall be adopted pursuant to C.R.S. 38-33.3-303(4). Any surplus funds of the Association remaining after the payment of or provision for Common Expenses and any prepayment of or provision of reserves shall be applied as the Board in its sole discretion determined appropriate, which is not required to credit or pay it to the Owners. That annual assessment shall be payable in monthly installments on the first day of each successive month, unless the Board otherwise directs. The Association shall cause to be prepared, delivered or mailed to each Owner, at least thirty (30) days in advance of each annual assessment period, a payment statement setting forth the annual assessment. The first annual assessment upon the Lots hereunder shall commence upon the first day of the first month following conveyance of the Common Area from the Declarant to the Association, it shall be adjusted according to the number of months remaining in the calendar year; the annual assessment upon any Lot in any part of the Expansion Property, which is subsequently annexed to the Project pursuant to Article X hereof, shall commence upon the first day of the first month following the conveyance of the Common Area within that annexed property from Declarant to the Association; provided however, notwithstanding any contrary provision of this Declaration, the Articles of Incorporation or the Bylaws, the annual and special assessments hereunder shall not commence upon any Lot, whether owned by the Declarant or any other Owner, unless and until a Dwelling Unit has been fully completed on that Lot, but upon full completion of the Dwelling Unit, the Lot and its Owner shall be liable to pay full assessments as provided in this Declaration, provided further that unless and until full assessments have commenced as provided above, the Lot and its Owner shall not be entitled to receive services from the Association.

Notice of  
annual  
assessment  
by 12-1

(b) Special Assessments and Other Sums. Special assessments and other sums imposed hereunder shall be due and payable on the date specified by the Board in written notice to each Owner, but such date shall not be less than ten (10) days after such notice is sent. In the event that the Association incurs any expense or liability as a result of the willful, negligent or wrongful act of an Owner, his family, tenants or guests, or any breach by any of such parties of any of the provisions of this Declaration, the Association's Bylaws or the Association's rules and regulations, and the same is not paid for by insurance, the cost thereof shall be deemed to be a special assessment against such Owner and his Lot and shall be enforceable as provided herein, except that such assessment shall not require any vote of the Members. Any other sum imposed by the Board as provided hereunder shall also be deemed a special assessment but shall not require a vote of the Members.

(c) Notice. Failure of the Board to give timely notice of any assessment as provided herein shall not affect the liability of the Owner or his Lot for such assessment, but if notice is not given, the date when payments shall be due shall be deferred to a date after such notice is given.

Section 4.9 Certificate of Payment. Upon payment of such reasonable fee as may be determined from time-to-time by the Board of Directors, and upon written request, the Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Lot. The statement shall be furnished within fourteen calendar days after receipt of the request and is binding on the Association, the Board, and every Owner. If no statement is furnished to the Owner or holder of a security interest or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the Lot for unpaid assessments which were due as of the date of the request. Said certificate may be relied upon by all persons acting in good faith, as conclusive evidence of the payment of any assessments therein stated to have been paid.

Section 4.10 Effect of Nonpayment of Assessments-Remedies of the Association.

(a) General. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid when due, the Association may impose a late charge/administrative fee not to exceed the amount set forth in the Association's rules and regulations. Any assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against such Owner's Lot, and/or may suspend the delinquent Owner's right to vote and the right to use any recreational facilities within the Common Area for any period during which any assessment against his Lot remains unpaid. In the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorney's fee to be fixed by the court, together with the expenses, late charges, and costs of the action.

(b) Lien. Any unpaid assessment, charge, fee or other sums assessed against an Owner or his Lot, including without limitation, with interest thereon at the rate of eighteen percent (18%) per annum, an administrative charge of not to exceed the amount set forth in the Association's rules and regulations, court costs and all other collection costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien, from and after the levy or assessment thereof, in favor of the Association, upon the Lot against which each such assessment, charge, fee or other sum is made. All payments on account shall be first applied to interest, the late charge, any costs or fees, and then to the assessment payment first due. The Board may enforce such lien by filing with the Clerk and Recorder of the county in which the Property is located a statement of lien with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association and the amount of delinquent assessments then owing. The lien statement shall be duly signed and acknowledged by an officer or authorized agent of the Association, and notice thereof shall be mailed to the Owner of the Lot, at the address of the Lot or at such other address as the Association may then have in its records for the Owner of the Lot. Such a claim of lien shall also secure all assessments, charges, fees and sums which come due thereafter until the lien, together with all costs, attorney's fees, administrative charges and interest have been fully paid or otherwise satisfied. Thirty (30) days following the mailing of such notice, the Board may proceed to the foreclosure of mortgages under the statutes of the State of Colorado. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from suing the Owner personally liable therefor or from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments, charges, fees or other sums which are not fully paid when due. Any recorded lien may be released by recording a Release of Lien executed by an officer or authorized agent of the Association. In addition, the Association shall have the right to a statutory lien under C.R.S. 38-33.3-316.



(c) Authority. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents the right and power to bring all actions against each Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid at foreclosure sale and to acquire and hold, lease, mortgage and convey the same, if acquired by the Association at the foreclosure sale or by deed in lieu of foreclosure.

Section 4.11 Working Capital. The Association shall require each Owner who purchases a Lot from Declarant to pay to the Association an amount equal to the greater of two times the amount of the estimated monthly assessment or \$100.00, which sum shall be held by the Association as and for working capital. Such sum shall not be refundable to such Owner but, if the Association determines that such sums are not required as working capital, shall be placed in the general revenue account of the Association. Furthermore, payment of such sum shall not relieve an Owner from making the regular payment of assessments as the same become due. Upon termination of the Period of Declarant Control, the Declarant shall pay the working capital for any unsold Lots in the Project, but shall be reimbursed by subsequent purchasers. During the Period of Declarant Control, the Declarant may not use any of the working capital funds to defray its expenses, reserve contributions, or construction costs or to make up any budget deficits.

Section 4.12 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of a First Mortgage recorded before the delinquent assessment was due. Sale or transfer of any Lot shall not affect the lien for said assessment charges except that sale or transfer of any Lot pursuant to foreclosure of any such mortgage or any such executory land sales contract, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of assessment charges which became due prior to any acquisition of title to such Lot by the First Mortgagee pursuant to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including without limitation any deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract; no such sale, transfer, foreclosure, or any above described proceeding in lieu or in cancellation thereof, shall relieve any Lot from liability for any assessment charges becoming due after such acquisition of title, nor from the lien thereof, nor the personal liability of the Owner of such Lot for assessments due during the period of his ownership nor from the provisions of C.R.S. 38-33.3-316.

Section 4.13 Notice to Mortgagee and Inspection of Books. Upon written request, a First Mortgagee shall be entitled to written notification from the Association of any default in the performance by the Owner of any obligation under this Declaration and/or the Bylaws of the Association, which is not cured within sixty (60) days after the Board has actual knowledge thereof, and the First Mortgagee may, at its option but without any obligation, cure such default. The Association shall make available to Owners and Mortgagees current copies of the Declaration, Bylaws, other rules concerning the Project, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. If the Project contains fifty (50) or more Lots, the Association shall provide an audited, annual financial statement to any First Mortgagee making a written request for it and without expense to such First Mortgagee. If the Project contains less than fifty (50) Lots, the holders of fifty-one percent (51%) or more of First Mortgagees shall be entitled to have an audited financial statement prepared at their expense if one is not otherwise available; said financial statement shall be furnished within a reasonable time following such request. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Association common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common property, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. The Association shall keep financial records

sufficiently detailed to enable the Association to provide the certificates of assessments described in Article IV hereof.

Section 4.14 Homestead. The lien of the Association assessments shall be superior to any homestead or other exemption as is now or may hereafter be provided by Colorado or federal law. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead exemption as against said assessment lien.

Section 4.15 Exempt Property. The following Property subject to this Declaration shall be exempt from the assessments created herein: (a) all Property dedicated to and accepted by local public authority; and (b) the Common Area.

ARTICLE V  
MAINTENANCE

Section 5.1 Association Maintenance. The Association shall provide such maintenance and repair in a first class condition as follows:

(a) All repair, replacement, improvement and maintenance of the Common Area and all improvements located thereon, including without limitation, any Landscaping, sprinkler system, any roadways, driveways, utility lines, any drainage structures or facilities or public improvements to the extent applicable and set forth in C.R.S. 38-33.3-307(1.5), any light fixtures, sidewalks, and pathways, or other improvements located on the Common Area.

(b) All water lines located within the private roadways in the Project and other portions of the Common Areas.

(c) The Association may also undertake, but shall have absolutely no obligation to undertake, such emergency repairs as the Board of Directors believes necessary to prevent imminent danger to life or property.

Section 5.2 Willful or Negligent Damage. In the event that the need for maintenance or repair described in Section 5.1 of this Article is caused, in the sole discretionary determination of the Board of Directors, through the willful or negligent acts or omissions of any Owner, his family, guests, tenants, contractors, or invitees, or other persons or parties acting with the consent of any of the foregoing, including without limitation any pets or animals of those persons or parties, the cost of such maintenance shall be the personal obligation of such Owner, shall be added to and become part of the assessment to which the Lot of such Owner is subject and shall become a lien against such Owner's Lot as provided in Article IV of this Declaration.

Section 5.3 Owner Maintenance. Each Owner shall be responsible for all maintenance and repairs of his Lot, all Improvements located thereon and any fixtures, furnishings, equipment and appliances located thereon. An Owner shall do no act nor any work that will impair any easement or utility service, nor do any act nor allow any condition to exist which will adversely affect the use and enjoyment of the other Lots or the provision of utility services to such Lots. If an Owner fails to fulfill his responsibilities under this Section, the Board, at its option, may take such action as it deems appropriate, including without limitation performing the Owner's obligations, after ten (10) days' notice to such Owner, except in emergencies, and any costs resulting therefrom shall be an assessment against such Owner and his Lot and shall be due and payable by the Owner thereof.

Section 5.4 Management Agreements and Other Contracts. The Association may enter into agreements for professional management of the Association's business. Each Owner shall be bound by the terms and conditions of any management agreement entered into by the Association. Any agreement for professional management of the Association's business shall provide for termination by either party with or without cause and without payment of a termination fee upon thirty (30) days' prior written notice, and shall have a maximum term of one (1) year. Further, each and every management contract made between the Association and a manager or managing agent during the period when the Declarant or other developer controls the Association shall be subject to review and approval by the Department of Veterans Affairs or the Federal Housing Administration and shall terminate absolutely, in any event, not later than thirty (30) days after termination of the Period of Declarant Control. Furthermore, any contracts and leases during the Period of Declarant Control shall be subject to C.R.S. 38-33.3-305. If professional management has been previously in effect after being required by any holder, insurer or guarantor at that time or later, any decision to terminate professional management and to establish self management by the Association shall require the prior consent of sixty-seven percent (67%) of the First Mortgagees (based upon one (1) vote for each First Mortgage held) and vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes (based upon one vote for each Lot) in the

Association are attached, who are voting in person or by proxy at a meeting duly called for that purpose.

## ARTICLE VI

### ARCHITECTURAL CONTROL

#### Section 6.1 Composition of Committee.

(a) Declarant shall serve as the Architectural Control Committee for a period of 10 years after Declarant first conveys a Lot in the Property to a purchaser following the date of this Declaration or until such earlier time as Declarant may choose to transfer all of its functions, rights and powers of granting or withholding approval, permission or consent and its other responsibilities as the Architectural Control Committee to an Architectural Control Committee of three members, each of whom shall be an Owner of a Lot in the Property (the "Declarant Committee Period"). Prior to the time when Declarant is obligated to effect such a transfer to an Architectural Control Committee, Declarant may transfer some, but not all, of its right, powers and functions to an Architectural Control Committee, to include an Architectural Control Committee formed by an association into or with which the Association is merged. It shall be the duty of the Architectural Control Committee, and it shall have the power, by the exercise of its best judgment, to determine that all structures, improvements, construction, decoration and landscaping on the Property conform to and harmonize with the existing surroundings and structures. For convenience, the Architectural Control Committee shall hereinafter sometimes be referred to in this Article as the "Committee".

(b) After the Declarant has transferred its rights, powers and responsibilities pursuant to Section 6.1(a), any one or more members of the Architectural Control Committee may from time to time be removed and their successor or successors designated by the Association or if there is no Association, by an instrument signed and acknowledged by the Owners of at least 50 percent of the Lots in the Project and filed for record with the County Clerk and Recorder of the County.

(c) The Architectural Control Committee may delegate to one or more of its members any or all of the functions and powers of the committee and until each delegation is revoked or modified the action of the member to whom such delegation is made shall constitute the action of the committee for the purposes of these Covenants.

(d) The Architectural Control Committee may take action without a meeting by a written statement signed by the members of the committee or by their delegate.

(e) Following the Declarant Committee Period, vacancies in the Architectural Control Committee may be filled by action of the remaining member or members of the Committee, subject always to the power of the Owners to remove and designate members of the Architectural Control Committee pursuant to Section 6.1(b).

(f) Declarant, or its successor Architectural Control Committee, may, if it determines such action to be in the best interest of the Owners, cause the Architectural Control Committee for the Project to be merged with the Architectural Control Committees of other single-family residential subdivisions in the same general area that contain Lots of substantially similar size, character and values as Lots in the Project. Such merger shall be accomplished by filing with the County Clerk and Recorder of the County a written document signed by Declarant, or by the Architectural Control Committee for each subdivision participating in such merger, acknowledging the action and appointing an Architectural Control Committee for the merged group.

Section 6.2 Review by Committee. After the purchase of a Lot from the Declarant, no Improvements shall be constructed or maintained upon the Property; no alterations restaining or repainting to the exterior of a Dwelling Unit, Improvement or Lot shall be made; no Landscaping performed; and no Owner shall enclose, by means of fences, screens or otherwise any portion of a Lot or Improvement including any balcony, porch or patio, unless the following, if applicable, shall

have been submitted to and approved in writing by the Committee: complete plans, specifications, and Lot plans therefor, showing the exterior design, height, square footage, building materials and color scheme thereof, the location of the structure plotted horizontally and vertically, the location and size of driveways, the general plan of landscaping, fencing, walls and windbreaks, and the grading plan. A copy of such plans and specifications as finally approved shall be deposited with the Committee. The provisions of Sections 6.1, 6.2 and 6.3 of this Article shall not apply in any way or manner whatsoever to the Declarant or any Lot owned by Declarant.

Section 6.3 Procedures

(a) The Committee shall approve or disapprove all plans and requests within thirty (30) days after requests have been submitted. In the event the Committee fails to take action within thirty (30) days after plans have been received by the Committee, approval will not be required, and this Article will be deemed to have been fully complied with. A majority vote of the members of the Committee is required for approval or disapproval of proposed improvements at such time as Declarant no longer constitutes the Committee. The Committee shall maintain written records of all applications submitted to it and of all action taken. In approving or disapproving the plans submitted to it, the Committee shall take into consideration the design, style and construction of the proposed Improvements or alteration, its location upon the Property, the harmony of its design, architecture and location with the terrain and surrounding neighborhood, and shall determine whether such proposed Improvements or alteration is consistent with the general terrain, the architecture of other buildings located upon the Property subject to this Declaration and whether or not the construction or alteration of said building will adversely affect or decrease the value of other Lots and/or Dwelling Units because of its design, location, height or type of material used in construction. The Committee may make reasonable requirements of the Lot Owner, including the submission of additional plans, to ensure conformance of such building or alteration when erected with these restrictions and covenants and with the plans submitted and approved. All construction or alterations performed on any Lot or the Common Area will conform to the approved plans and specifications. The Committee may require such changes as may be necessary to conform to the general purposes as herein expressed. The Committee shall be responsible for enforcing compliance of the approved plans with these covenants and restrictions.

(b) The Committee shall have authority to grant variances from the provisions of this Article VI in cases of conditions wherein the strict enforcement of these restrictions would result in unusual hardship. The Committee shall be the sole and exclusive judge of whether or not said hardship exists.

(c) Whenever the Committee disapproves of any proposed plans or specifications, it shall state in writing its reason for such disapproval in general terms so that the objections can be met by alterations acceptable to the Committee.

(d) All plans submitted to the Committee shall be left on file with the Committee.

(e) It is the intent of this Declaration that the Committee shall exercise broad discretionary powers hereunder and its decisions shall be final and conclusive except for an arbitrary abuse of its discretion or an excess of its authority.

(f) The Committee shall resolve all questions of interpretation under this Article. They shall be interpreted in accordance with their general purpose and intent as herein expressed.

Section 6.4 Officers and Agents Excused from Liability. Declarant, the officers and directors, members and agents of Declarant, and the members of the Architectural Control Committee shall not be liable to any party whatsoever for any act or omission unless the act or omission is in bad faith and amounts to fraud.

Section 6.5 Declarant Can Remedy Violations. Until the time for establishment of the Architectural Control Committee as provided by Section 203(a) Declarant may, and after its establishment the Architectural Control Committee or Declarant, including an assignee or delegate, may give notice to the Owner of the Lot where a violation of these Covenants occurs or which is occupied by the persons causing or responsible for the violation, which notice shall state the nature of the violation, and the intent of the Committee or Declarant to invoke this Section unless within a period stated in the notice (not less than ten (10) calendar days), the violation is cured and terminated or appropriate measures to cure and terminate are begun and are thereafter continuously prosecuted with diligence. If the violation is not cured and terminated as required by the notice, the Committee or Declarant (whichever gives the notice) may cause the violation to be cured and terminated at the expense of the Owner or Owners so notified, and entry on Owner's property as necessary for such purpose shall not be deemed a trespass. Each Owner of a Lot hereby grants a license to the Declarant and the Committee for the purpose of entering on a Lot to remedy violations or breaches of these Covenants. The cost so incurred by the Committee or Declarant shall be paid by the Lot Owner and the person responsible for the breach and if not paid within thirty (30) days after such Owner has been sent notice of the amount due, such amount, plus interest at the rate of eighteen per cent (18%) per annum and costs of collection, shall be a lien on the ownership interest in the Lot (including improvements thereon) and shall in all respects be the personal obligation of the Owner. The Committee or Declarant may bring an action at law for recovery of the costs so incurred by it, plus interest and costs of collection against the Owner and may bring an action to foreclose the lien against the Lot and improvements subject to the lien and there shall be added to the amount of such obligation the costs of collection, and the judgment in any such action shall include interest as above provided and the costs of collection. The foregoing specified rights and remedies shall not limit the right of any Lot Owner to enforce these Covenants pursuant to Section 12.2 or as otherwise may be provided by law or equity; provided, however, that only the Declarant and the Committee shall have the right to proceed under this Section 6.5. In the event that the Declarant or Committee elect to exercise the right to enter upon a Lot to remedy a violation of these Covenants, they shall not be liable to the Owner of the Lot for any loss or damage occasioned by the entry on the Lot unless damage is caused to the Lot or improvements thereon that is unrelated to the remediation of the breach of the Covenants and is caused by the willful and wanton acts of the Declarant or Committee. In no event shall there be any liability for damage to a structure that is in violation of these Covenants.

Section 6.6 Declarant's Rights to Complete Development of the 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, management or leasing purposes or similar facilities on any property owned by Declarant or owned by the Association within the Property and 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 make changes or modifications to this Declaration by means of an amendment to this Declaration or addition hereto; 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 this Declaration. The maximum number of lots to be created within the Property by Declarant is 125.

Section 6.7 Provisions Regarding Exercise of Declarant's Reserved Rights. Declarant may exercise the reserved rights of Declarant as to the Property. The exercise by Declarant of some of

the reserved rights of Declarant hereunder shall not require Declarant to exercise any other of Declarant's reserved rights hereunder.

## ARTICLE VII RESTRICTIONS

Section 7.1 General Plan. It is the intention of the Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Property, all thereof in order to enhance the value, desirability, and attractiveness of the Property and serve and promote the sale thereof.

Section 7.2 Leases. Any lease agreements between an Owner and a tenant shall provide that the term of such lease shall be subject in all respects to the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association, and that any failure by the tenant to comply with the terms and provisions of such documents shall be a default under the lease. Further, the Board of Directors may require that a copy of any lease be provided to it by the Owner. After notice and an opportunity for hearing, the Board may require an Owner to evict any tenant who has repeatedly violated any provision of this Declaration, the Articles of Incorporation or the Bylaws. No short-term leases (i.e., for terms less than month-to-month) shall be permitted and no time-sharing or such other forms of interval ownership shall be permitted.

Section 7.3 Residential Use. Each Lot shall be occupied and used as a single family residence for the Owner, and members of his family, guests and tenants only, and the Board of Directors may make rules which limit the maximum occupancy permitted upon Lots in the Project and additional rules which restrict the ages of occupants as determined by the Board in its sole discretion. No Lot shall be used for any business, manufacturing or commercial purpose whatsoever; provided, however, if the appropriate zoning so allows and if prior written approval of the Board is obtained, an Owner may use a specifically designated portion of his Lot as a home business office, which approval may thereafter be withdrawn or terminated by the Board at any time.

Section 7.4 Building Materials. No building materials shall be stored on any Lot except temporarily during continuous construction of a building or its alteration or improvement, unless enclosed within a building so as not to be visible from any neighboring property or adjacent streets.

Section 7.5 Completion of Construction. All work of construction shall be prosecuted diligently and continuously from the time of commencement until fully completed. The exterior of all buildings or other structures 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. If not so completed, or if construction shall cease for a period of sixty (60) days without written permission of Declarant, the unfinished structure or unfinished portion thereof shall be deemed a nuisance and may forthwith be removed by Declarant at the cost of the Owner.

Section 7.6 Construction Debris. When construction commences on Lot, a trash container shall be provided, properly used and maintained by the Owner of the Lot. During the progress of construction, the Owner of a Lot shall use reasonable efforts to insure that the Lot is kept reasonably free of debris and trash, all of which shall be deposited in the trash container. Reasonable efforts shall also be utilized to limit construction materials, debris or trash from entering onto the property of others and any significant materials, trash or debris blown off the Lot shall be promptly cleaned up by the Owner.

Section 7.7 Garage and Driveway. The Dwelling Unit on each Lot shall include an attached two-car fully enclosed garage or such equivalent garage arrangements as may be approved by Declarant. The site improvements on each Lot shall include adequate driveway or other similar off-street space for temporary parking of two (2) private passenger motor vehicles. All driveways shall be improved with asphalt, brick paver or concrete paving unless otherwise approved by Declarant.

Section 7.8 Setbacks. Except with Declarant's approval, no building, porch, eave, overhang, projection or other part of a building ("Setback") shall be located within 17 feet of a rear Lot Line of a Lot fronting on Troy Court or within 20 feet of any other Lot or within five feet of a side Lot Line, or where the side Lot adjoins a public street within 18 feet of such side Lot Line adjoining a public street. It is desired that the Project have diverse front yard Setbacks. Therefore, front Setbacks shall vary from 18 to 25 feet within the Project such that not more than two consecutive and adjacent Dwelling Units shall have identical front Setbacks; namely, front Setbacks which are within one foot of each other. If two consecutive and adjacent Dwelling Units have identical front Setbacks as defined herein, the next consecutive and adjacent Dwelling Unit shall be required to have a front Setback which varies from the identical front Setbacks by at least five feet. In no event shall any front Setback be less than 18 feet. Notwithstanding any other provision contained herein, all Dwelling Units which front Troy Court shall have a front Setback of not less than 18 feet and they shall not be required to have the varying front Setbacks described above. The actual Setbacks of all Dwelling Units and Improvement must be approved by the Architectural Control Committee as provided in this Declaration. Declarant's approval of a variance to the Setback requirements may be given only (a) for fireplace projections integral to the building (b) for eaves and overhangs or (c) for construction which extends less than ten (10) feet into the Setback areas adjoining public streets or less than five (5) feet into any other Setback area, and which Declarant determines to be consistent with or required by the Lot terrain or Lot shape and consistent with superior design. Variances in the front Setback requirements shall also require applicable governmental approval. No fence, hedge, tree, shrubbery or landscaping shall be installed or maintained on a corner lot that will obstruct visibility at an intersection.

Section 7.9 Compliance with Building Codes. All construction must also conform to the building codes, zoning codes and subdivision regulations of the County, which regulations may vary from the provisions of these Covenants; provided, however, if these Covenants are more restrictive than such governmental codes and regulations, then the more restrictive provisions of these Covenants shall control.

Section 7.10 Minimum Floor Area. No dwelling shall be erected which exclusive of basements, porches, patios, covered but unenclosed areas, garages and any attached accessory building, has a gross livable finished floor area less than 1,100 square feet.

Section 7.11 Height. No Dwelling Unit or other Improvement shall exceed twenty six (26) feet in height as measured in accordance with City standards as of the date of this Declaration; provided, however, no more than 4 consecutive and adjacent Dwelling Units, other than Dwelling Units fronting Troy Court, shall exceed 19 feet in height. All Dwelling Units fronting Troy Court shall be permitted to have a maximum height of 26 feet. The actual height of all Dwelling Units and Improvements must be approved by the Architectural Control Committee as provided in this Declaration.

Section 7.12 General Architectural Standards. Architectural standards are established to the end that the Project may benefit from the natural advantages of its particular location. While the standards for architectural style are flexible, compatibility with the informal natural environment is required. Contemporary, Southwestern and Western styles typical of the Pikes Peak region are desirable. Formal styles such as French Provincial, English Tudor, and Colonial will not be approved except in modified forms. All buildings shall be designed and all plans signed by a registered architect or by a qualified designer approved by Declarant. Declarant shall have the right and authority to establish and amend specific architectural standards from time to time.

Section 7.13 General Building Standards. All buildings shall conform to the following material and appearance standards:

- (a) Exterior materials shall be wood, brick, masonite or other lapsiding approved by Declarant, or stucco or other material approved by Declarant. Manufactured siding such as aluminum and vinyl are not permitted except on soffits, fascia and windows.
- (b) Only vinyl, clad or wood windows are permitted.

*No mfg. Siding!*

- (c) Gutters, if installed, shall be painted the same color as the adjoining trim color of the building.
- (d) Earth tone colors are encouraged. Colors that are not compatible with the surrounding areas may be rejected.
- (e) All roof areas shall be of a material approved by Declarant.

Declarant shall have the right and authority to establish and amend specific building standards from time to time.

Section 7.14 Fences. The only fences permitted on any Lot shall be fences which are of a material and in a location which has been approved in writing by Declarant. Front yard fences are prohibited.

Section 7.15 Landscaping. Within nine months after completion of a dwelling or within any extension of that period granted by Declarant, all yards and open spaces shall be landscaped and thereafter maintained in lawn or landscape. The use of gravel, small rocks, and paving as primary landscape materials is not desirable. Each Owner shall ensure that any landscaping applicable to his Lot is installed and maintained in conformance with an approved landscape plan.

9 mos. →

Section 7.16 Aerials, Solar Devices and Antennas. No aerial, solar device, satellite dish or antenna for reception or transmission of radio or television or other electronic signals shall be maintained on the roof of any building nor shall they be maintained at any location on the Lot so as to be visible from neighboring property or adjacent streets.

Section 7.17 Maintenance of Structures. Each Owner shall maintain the exterior of the dwelling, walks and driveways, in good condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. Exterior building surfaces and trim shall be repainted periodically and before the surfacing becomes weather-beaten or worn off. Periodic exterior maintenance also includes repair and maintenance of gutters, downspouts, roofs, paving, fences, signage, mail boxes and outdoor lighting.

Section 7.18 Destroyed or Damaged Structure. Any dwelling or building that is destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be restored or rebuilt; all debris must be removed and the Lot promptly restored to a slightly condition. Rebuilding or restoration shall be completed with reasonable promptness and in any event within six (6) months.

Section 7.19 No Unsightly Condition. Each Owner shall prevent the development of any unclean, unsightly or unkept conditions of buildings or grounds on such Lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or in the specific area.

Section 7.20 Garage Doors. Garage doors shall be kept closed except when being used to permit ingress or egress to or from the garage.

Section 7.21 Maintenance Equipment. All maintenance equipment, including yard and garden equipment, shall be stored in an enclosed structure or otherwise adequately screened so as not to be visible from neighboring property or adjoining streets.

Garden & maintenance Equipment

Section 7.22 Grading. No material change may be made in the ground level, slope, pitch or drainage patterns of any Lot as fixed by the original finish grading except after first obtaining the prior consent and approval of Declarant. Grading shall be maintained at all times so as to conduct irrigation and surface waters away from buildings and so as to protect foundations and footings from excess moisture. Special attention should be paid to the revegetation of approved grades and cuts to eliminate erosion.

Section 7.23 Animals. No animals except an aggregate of three (3) domesticated dogs or cats and except domesticated birds and fish and other small domestic animals permanently confined

indoors shall be maintained within the Common Interest Community and then only if kept as pets. No animal of any kind shall be permitted which in the opinion of Declarant makes an unreasonable amount of noise or odor or is a nuisance. No animals shall be kept, bred or maintained within the Common Interest Community for any commercial purposes. Animals shall not be permitted to roam in the Common Interest Community and shall only be permitted off the Lot of the Owner of the animal if on a leash.

Section 7.24 Signs. The only signs permitted on any Lot or Improvement shall be:

1. One sign of customary size for offering of the signed property for sale or for rent;
2. One sign of customary size for identification of the occupant and address of any dwelling;
3. Multiple banners, streamers, flags, signs for sale, administration and directional purposes during development as Declarant may install or authorize;
4. Such signs as may be necessary to advise of rules and regulations or to caution or warn of danger;
5. Such signs as may be required by law; and
6. Such other or additional signs as Declarant may approve.

Except for as provided above, no banners, streamers, flags, lights or other devices calculated to attract attention in aid of sale or rental shall be permitted. All permitted signs must be professionally painted, lettered and constructed.

Section 7.25 Structures. All buildings or Improvements erected upon the Property shall be of new construction and no buildings or structures shall be moved from other locations onto the Property. No temporary house, trailer, tent, garage or outbuilding shall be placed or erected upon any Lot, and no Dwelling Unit placed or erected upon any Lot shall be occupied in any manner at any time prior to its being fully completed in accordance with approved plans, nor shall any residence when completed be in any manner occupied until made to comply with all requirements, conditions, and restrictions herein set forth; provided, however, that the foregoing shall not apply to the Declarant. The work of constructing, altering, or remodeling any structure on any part of any Lot shall be prosecuted diligently from the commencement thereof until the completion thereof.

Section 7.26 Lots to be Maintained. 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 building materials shall be permitted to remain exposed upon any Lot so that same are visible from any neighboring Lot or street, except as necessary during the period of construction by Declarant.

Section 7.27 Lots Not to be Subdivided. No Lot or Lots shall be subdivided, except for the purpose of combining portions with an adjoining Lot, provided that no additional building site is created thereby. No less than one entire Lot, as conveyed, shall be used as a building site.

Section 7.28 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done or placed on any Lot which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others.

Section 7.29 No Hazardous Activities. No activities shall be conducted on the Property and on Improvements constructed on the Property which are or might be unsafe or hazardous to any person or property or might cause the cancellation or diminution of insurance or an increase in insurance premiums. Without limiting the generality of the foregoing, no firearms shall be discharged upon any of the Property and no open fires shall be lighted or permitted on the Property

except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace or except such campfire or picnic fires in an area designated for such by the Association.

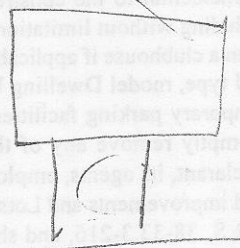
Section 7.30 No Annoying Light, Sounds or Odors. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted on any Lot which is unreasonably loud or annoying; and no odor shall be emitted on any Lot which is noxious or offensive to others. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of the neighboring Dwelling Unit. Ornamental post lights must be approved by the Architectural Control Committee.

Section 7.31 Restrictions on Parking and Storage. Except as specifically authorized by the Board of Directors, no part of the Property, including but not limited to streets, drives, or parking areas, and no part of the streets adjoining the Property shall be used as a parking, storage, display, or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat, or accessories thereto, truck larger than 3/4 ton, bus, or self-contained motorized recreational vehicle, except as a temporary expedience for loading, delivery, or emergency. This restriction, however, shall not restrict trucks or other commercial vehicles within the Properties which are necessary for the construction of Dwelling Units or the maintenance of the Common Area or Lots or making deliveries or performing services. No abandoned vehicles shall be stored or parked upon any part of the Property or any street adjoining the Property, but excluding any area designated for such purpose by the Board. In the event that the Board shall determine in its sole discretion that a vehicle is an abandoned vehicle, then a written notice describing the vehicle will be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or will be conspicuously placed on the unused vehicle (if the owner thereof cannot be reasonably ascertained), and if the unused vehicle is not removed within seventy-two (72) hours thereafter, the Board shall have the right to remove the vehicle at the sole expense of the owner thereof. For the purpose of this Section, an "abandoned vehicle" is any automobile, truck, motorcycle, motor bike, boat, trailer, camper, motor home, housetrailer or other similar vehicle which has not been driven under its own propulsion, or has not been moved for a period of five (5) days or longer. Neither owners, tenants, guests, family, nor other invitees shall park within or obstruct any prohibited area, including without limitation any fire lane. Any vehicle or other item which is parked in violation of any rules or restrictions shall be subject to immediate removal by the Board or its agents at the expense of the owner of such vehicle. Commercial vehicle does not include a private passenger vehicle commonly described as a pickup. Automobiles may be parked overnight on a Lot only if parked in the garage or in the driveway immediately adjacent to the dwelling; parking in the driveway adjacent to the street is not permitted.

X Section 7.32 Clotheslines and Storage. Outside clotheslines, whether on buildings or free-standing, carports, patio covers or similar structures, and wood piles and storage areas shall not be allowed unless approved by the Architectural Control Committee in its sole discretion. All such approved Improvements shall be located out of view of the street or of any neighboring Dwelling Unit. Service or storage areas shall be so located as not to be visible from a street or road; there shall be no storage under any deck, unless enclosed by the Declarant or with the prior written approval of the Committee.

Section 7.33 Garbage and Refuse Disposal. No garbage, refuse, rubbish or cuttings shall be deposited on any street, on the Common Area, or on any Lots unless placed in an appropriate, clean container suitably located, solely for the purpose of garbage pickup. All trash and refuse containers, except when placed as noted above the sole purpose of garbage pickup, will be kept inside the Dwelling Unit. The burning of trash in outside incinerators, barbecue pits or the like is prohibited, it being intended that all refuse, trash, garbage and the like shall be hauled from the Property.

Section 7.34 Repair. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers, boats, or vans may be performed on any Lot unless it is done within completely enclosed structures located on the Lot which screen the sight and sound of the activity from the street and from adjoining property. The



foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, or motor-driven cycle together with those activities normally incident and necessary to such washing and polishing.

Section 7.35 Underground Electric Lines. All electric, television, radio, telephone line installations and connections shall be placed underground, except for power substations and switching stations which shall be adequately screened from view and except for customary surface devices for access or control and except that during the construction of a residence the contractor or builder may install a temporary overhead utility line which shall be promptly removed upon completion of construction and which shall be subject to Declarant's prior written approval.

Section 7.36 Use of Common Area.

(a) No use shall be made of the Common Area which will in any manner violate the statutes, rules, or regulations of any governmental authority having jurisdiction over the Common Area.

(b) The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association.

(c) No use shall ever be made of the Common Area which will deny ingress and egress for a substantial period of time to those Owners having access to a public street, to their Lots, to their parking areas, or to any recreational facilities completed upon the Common Area.

Section 7.36 Sales and Construction Facilities and Activities of Declarant. Notwithstanding any provision to the contrary contained herein, Declarant, its agents, employees and contractor shall have all rights set forth in C.R.S. 38-33.3-215 and shall be permitted to maintain during the period of any construction on and sale of the Lots, upon such portion of the Common Area as Declarant may choose, such uses and facilities as may be reasonably required, convenient or incidental to the construction, sale or rental of Lots, and to the development of the Project, including without limitation, storage of equipment and vehicles, a business office, use of a Lot, or even a clubhouse if applicable, for a sales office, storage area, construction yards, signs of any size and type, model Dwelling Units, sales offices, construction office, parking areas and lighting and temporary parking facilities for all prospective tenants or purchasers of Lots; the Declarant may promptly remove any of the above items if Declarant ceases to be a Lot owner. In addition, Declarant, its agents, employees, financiers, any contractor involved in the construction or sale of said improvements and Lots, or in the development of the Property, shall have all rights set forth in C.R.S. 38-33.3-216, and shall have the right to ingress and egress over the Common Area as in Declarant's discretion may be necessary to complete the Project. Notwithstanding any provision of this Section, no right under this Section shall be exercised by Declarant in such a manner as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Owner, his family members, guests, or invitees, to or of that Owner's Lot, his parking area, any public street, or any recreational facility completed upon the Common Area.

## ARTICLE VIII

### INSURANCE

Section 8.1 Common Insurance. Commencing not later than the time of the first conveyance of a Lot to a person other than Declarant following the date hereof, the Association shall obtain and maintain at all times, to the extent reasonably obtainable, insurance policies covering the following risks:

(a) Property. Property insurance on the Common Area for broad form covered causes of loss; except that the total amount of insurance must be 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 land, excavations, foundations, and other items normally excluded from property policies. Such insurance must include all personal property owned by the Association and any improvements and fixtures located upon the Common Area.

(i) loss or damage by fire and all other hazards that are covered by the standard extended coverage endorsement, including without limitation endorsements for vandalism and malicious mischief, and

(ii) all other perils customarily covered for similar types of Projects, including without limitation those covered by the standard "all risk" endorsement.

(b) Public Liability. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Areas and deemed sufficient in the judgment of the Board but not less than any amount specified herein, insuring the Board, the Association, the management agent, and their respective employees, agents, and all persons acting as agents. The Declarant shall be included as an additional insured in such Declarant's capacity as an Owner and Board member. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Area. The insurance shall cover claims of one or more insured parties against other insured parties. Such insurance shall be in such amounts as the Board of Directors of the Association may from time to time determine, but not in an amount less than \$1,000,000.00 per occurrence covering claims for personal injury, bodily injury and/or for property damage. To the extent reasonably obtainable, coverage shall include, without limitation, liability for personal injuries, operation of automobiles (whether owned, non-owned or hired) on behalf of the Association, and activities in connection with the ownership, operation, maintenance or other use of the Common Area by the Association, its officers, directors, agents, employees, representatives and the Owners, off-premises employee coverage, water damage liability, contractual liability, bailee's liability for property of others, and any legal liability that results from lawsuits related to employment contracts to which the Association is a party.

(c) Workmen's Compensation. Workmen's Compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance. The Association shall purchase, in an amount equal to the maximum amount of funds in the Association's custody at any one time, but not less than the greater of either any sum required under C.R.S. 38-33.3-306(3) or the sum of three months' assessments on the entire Project, plus reserves, blanket fidelity insurance covering losses resulting from dishonest or fraudulent acts or omissions committed by the Association's directors, managers, including without limitation, any person employed as an independent contractor for the purpose of managing the Association and any employee thereof, trustees, employees, volunteers, or anyone who manages the funds collected and held for the benefit of the Owners, provided however, any managing agent which handles funds for the Association should be covered by its own fidelity insurance policy, which must provide the same coverage required of the Association. Such policy shall also cover destruction or disappearance of money or securities and forgery. Such policy shall cover any person or entity handling funds of the Association, including but not limited to, employees of the professional manager which should also be covered by its own fidelity bond and submit evidence thereof to the Association. Such fidelity coverage or bonds shall name the Association as the named insured and as obligee and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(e) Officers' and Directors' Personal Liability Insurance. To the extent obtainable, appropriate officers' and directors' personal liability insurance shall be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.

(f) Other Insurance. In addition, the Board of Directors may obtain any other insurance against such other risks, of a similar or dissimilar nature, which the Board shall deem appropriate with respect to the Project.

(g) Notice of Unavailability. If any insurance described in this Declaration is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and First Mortgagees as provided herein.

Section 8.2 Form of Issuance.

(a) All insurance shall be carried in blanket policy form, shall name the Association as the insured. Each Owner shall be an insured person under such policy with respect to liability arising out of such Owner's interest in the Common Areas.

(b) To the extent possible, all insurance policies shall:

(i) be obtained from responsible companies duly authorized and licensed to do insurance business in the State of Colorado, and having at least a "B" general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide.

(ii) provide for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees, agents, its Owners and members of their households;

(iii) provide that the insurance cannot be canceled, invalidated, or suspended on account of the conduct of the Association, its officers, directors, employees and agents;

(iv) provide for a waiver of any defense based on co-insurance;

(v) provide that the policy of insurance shall not be permitted to lapse, be terminated, cancelled or materially or substantially changed or modified without at least thirty (30) days' prior written notice to the Association, the Owners and the First Mortgagees which have given notice of their liens;

(vi) provide that no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

(vii) provide that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance;

(viii) provide that no assessments therefor may be made against First Mortgagees and any such assessments made against other shall not become a lien on the Property superior to the First Mortgagee.

(ix) on written request the Association shall furnish, by certificate or otherwise, a copy of any insurance policy, identifying the interest of the Owner in question, to any Owner or First Mortgagee, together with proofs of payment of premiums. Further, an insurer that has issued an insurance policy for the insurance described in this Declaration shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, and each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued, at their respective last-known addresses.

Section 8.3 Owner's Personal Property and Liability Insurance. An insurance policy issued to the Association for the Common Area does not obviate the need for Owners to obtain insurance for their own benefit. Each Owner shall be solely responsible, at his expense, for all insurance covering all loss or damage to his Lot, Dwelling Unit and any and all fixtures, appliances, furniture, furnishings or other personal property supplied, maintained or installed by the Owner and covering liability for injury, death or damage occurring within his Lot or Dwelling Unit. The Association shall have no responsibility regarding the obtaining or continuation of any such insurance. If at any time of any loss under any policy which is in the name of the Association there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, such Association policy shall be primary insurance not contributing with any of such other insurance.

## ARTICLE IX

### DAMAGE, DESTRUCTION, CONDEMNATION AND MERGER

Section 9.1 Damage or Destruction of Common Area. Any portion of the Project for which insurance is required under C.R.S. 38-33.3-313 which is damaged or destroyed must be repaired or replaced promptly by the Association pursuant to that statutory section.

Section 9.2 Condemnation. In the event proceedings are initiated by any government or agency thereof, seeking to take by eminent domain the Common Area, any part thereof or any interest therein, any improvement thereon with a value (including loss of value to the balance of the Common Area and improvements thereon), as reasonably determined by the Association in excess of \$5,000.00, the Association shall give prompt notice thereof, including a description of the part of or the interest in the Common Area or improvement thereon sought to be so condemned, to all Owners. The Association shall have full power and authority to defend in said proceedings, but the Association shall not enter into proceedings pursuant to which the Common Area or any part thereof or any interest therein, or any improvement thereon is relinquished without giving all First Mortgagees of Lots and all Owners at least fifteen (15) days' prior written notice thereof.

In the event, following such proceedings, there is such a taking in condemnation or by eminent domain of a part or all of the Common Area, the award made for such taking shall be paid to the Association as provided by C.R.S. 38-33.3-107(3) and after the approval described below, the award shall be applied toward the repair and restoration of the Common Area, the Association shall arrange for the same and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Owners and at least fifty-one percent (51%) of First Mortgagees do not duly and promptly approve the repair and restoration of such Common Area, the Association shall disburse the net proceeds of such award jointly to the Owners and their respective First Mortgagees at the rate of one (1) equal share per Lot, except that any award attributable to the acquisition of a limited common element shall be paid solely to the Owner thereof and that Owner's First Mortgage.

Section 9.3 Repair and Reconstruction. Unless otherwise agreed by sixty-seven percent (67%) of the First Mortgagees (based on one vote for each First Mortgage held) and by vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes (based upon one vote per Lot) in the Association are attached, who are voting in person or by proxy at a meeting duly called for that purpose, any restoration or repair of the Common Area Improvements after a partial condemnation or damage due to an insurable hazard shall be restored to substantially the same condition in which it existed prior to such condemnation or damage.

Section 9.4 Excess Insurance Proceeds. With the prior written approval of sixty-seven percent (67%) of the First Mortgagees (based on one (1) vote for each First Mortgage held) and by vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes (based upon Proportionate Interests) in the Association are attached, who are voting in person or by proxy at a meeting duly called for that purpose, any insurance proceeds remaining after any repairs or

reconstructions are completed shall be paid to each Owner and his First Mortgagee jointly at the rate of one equal share per Lot. Without such approval, any excess insurance proceeds shall be placed in the Association's reserves.

Section 9.5 Notice of Loss to First Mortgagees. Provided that a First Mortgagee has, in writing, requested the following information with respect to a Lot upon which said First Mortgagee holds the First Mortgage and has furnished the Association with the address to which said First Mortgagee wants the information sent, then in the event that there shall be any damage to or destruction of: (a) the Common Area which shall be in excess of Five Thousand Dollars (\$5,000.00), or (b) in the event of the condemnation of any part of the Common Area as described in Section 9.2 of this Article in excess of Five Thousand Dollars (\$5,000.00), then timely written notice of any such damage, destruction or condemnation shall be given by the Association to such First Mortgagee. Notwithstanding any provision to the contrary, no provision of this Declaration or of any other document relating to the Property shall be deemed to give an Owner or any other party priority over the rights of a First Mortgagee in the case of a distribution to an Owner of insurance proceeds or condemnation awards for loss to or taking of Common Area.

Section 9.6 Merger. In addition to the provisions of Section 6.1, the Association may merge with one or more homeowners' association in the surrounding area on such terms and conditions as may be agreed to by vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes (based upon one vote per Lot) in the Association are attached, who are voting in person or by proxy at a meeting duly called for that purpose, and by sixty-seven percent (67%) of all First Mortgagees. The surviving entity in any such merger or affiliation shall be the Association for purposes of this Declaration.

## ARTICLE X

### PHASED DEVELOPMENT

Section 10.1 Right to Expand. For a period continuing until ten (10) years from the date of the recording of this Declaration, Declarant reserves the right to expand this Project, without the approval of the Owners or First Mortgagees, except as provided in Article XI, Section 11.2 to include additional land and one or more additional buildings located upon all or any part of the Expansion Property; provided, however, that the total number of Lots in the Project, as expanded, shall not exceed 125 Lots, any Dwelling Units to be constructed shall be of comparable or greater cost or size in relation to those Dwelling Units existing on the Property at the time of expansion except for such alterations or modifications as may be approved by the Department of Veterans Affairs or the Federal Housing Administration. By accepting a deed to a Lot, each Owner hereby grants to Declarant a right to expand the Project and to modify the Owner's Proportionate Share and right, title and interest in the Common Area accordingly, as set forth in this Article. Any such expansion shall be subject only to this Article X and Article XI, Section 11.2 and shall not make or constitute any amendment or modification in this Declaration except as provided in this Article X.. Any expansion hereunder shall comply with C.R.S. 38-33.3-209 and 210.

Section 10.2 Procedure for Expansion. Such expansion may be accomplished by the filing for record by Declarant with the Clerk and Recorder of the county in which the Project is located, no later than ten (10) years from the date of this Declaration, an amendment or amendments to this Declaration containing a legal description of the land area to be added to the Project, together with any supplemental plats which may be required. Any such amendment or amendments to this Declaration shall also contain a listing of the number of Lots to be contained in the expanded portion of the Project and shall assign an identifying number to each new Lot thereby created, shall reallocate each Owner's Proportionate Share, and shall describe any Common Areas and, except as otherwise provided herein, any limited common areas thereby created and designate the Lot to which each is allocated to the extent required by C.R.S. 38-33.3-208. The expansion may be accomplished in "phases" by successive amendments.

Section 10.3 Effect of Expansion.

(a) In the event of such expansion, the definitions used in this Declaration shall automatically be expanded to encompass and refer to the Project as so expanded; e.g., "Property" shall mean the real property described on Exhibit "A" hereto plus any additional real property added by any amendment to this Declaration; similarly, "Common Area" and "Lots" shall include those areas located within the real property described on Exhibit "A" hereto, as well as those so designated on any amendment or supplemental plat relating to any real property which is annexed pursuant to this Article X. References to this Declaration shall mean this Declaration as so amended. Every Owner of a Lot in the area shall, by virtue of such ownership and upon recordation of the amendment, be a member of the Association and shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Association member. The recording with the Clerk and Recorder of the county in which the Property is located of an amendment to this Declaration incident to any expansion shall operate automatically to grant, transfer and convey to all of the Owners of the Lots, located within the Property and the part of the Expansion Property added thereby, their respective, appurtenant, undivided rights, titles, interests, privileges, duties and obligations in and to both the existing Common Area and the new Common Area, if any, added to the Property as a result of such expansion; provided, however, assessments for Lots within the annexed area shall commence as set forth in Section 4.8 of Article IV hereof, but no part of the Expansion Property shall be subject to assessments or any provision of this Declaration until the annexation of that part is completed in accordance with this Article X.

(b) Upon recording of the amendment or amendments to Declaration and any supplemental plat, with the Clerk and Recorder of the county in which the Project is located, the additional Lots and Common Area shall be subject to the provisions of this Declaration.

(c) At such time, prior to ten (10) years from the date of this Declaration, that the Declarant determines that the Project is completed, he shall record with the Clerk and Recorder of the county in which the Project is located a Certificate of Completion. Said Certificate shall contain a statement of the total number of Lots.

(d) Until the expansion of the Project is accomplished by recording the amendment(s) to this Declaration and supplemental plat(s), the Expansion Property and any improvements constructed thereon shall not be subject to this Declaration in any way whatsoever, including but not limited to consideration for the purpose of apportioning assessments or determining voting rights or privileges. If such expansion does not occur, nothing contained in this Declaration or otherwise shall restrict, impair, hinder, encumber or burden, in any way whatsoever, Declarant's, or its successors' or assigns' sole and complete right, title and interest to the Expansion Property and any improvements constructed thereon. The Declarant alone shall be liable for all expenses of the Expansion Property unless and until annexed hereunder, and shall be entitled to any income and proceeds therefrom. The Declarant's right to annex, and other development rights, may be exercised at different times and as to different portions of the Property or Expansion Property, and so no assurances are made hereby regarding the boundaries of any portion of real property which may be annexed hereunder nor the order in which said portion may be annexed. If the Declarant exercises any right to annex additional portions, the Declarant is not required to exercise any development rights to any and all portions of the remaining Property or Expansion Property. Any portion of the Property or Expansion Property may be designated as general or limited areas or elements as shown by the plat or map which has been or will be recorded regarding that portion.

ARTICLE XI

ADDITIONAL RESTRICTIONS

Section 11.1 Restrictions Upon Association and Owners. Unless at least sixty-seven percent (67%) of the First Mortgagees (based upon one (1) vote for each First Mortgage held) and the Owners (other than Declarant) by vote or agreement of Owners of Lots to which at least sixty-seven percent (67%) of the votes (based upon one vote per Lot) in the Association are attached, have given their prior written approval, neither the Association nor the Owners shall be empowered or entitled to do any of the following:

(a) by act or omission, seek to abandon or terminate this Declaration or any scheme or architectural control, or enforcement thereof, as set forth in this Declaration, regarding the maintenance of the Common Area or common property in the Project.

(b) by act or omission, seek to abandon, partition, subdivide, mortgage, encumber, sell or transfer any of the Common Area, except for (i) the dedication to the City of Colorado Springs of Troy Court as a public street, should it elect to accept it, which dedication shall relieve the Association of the maintenance responsibility thereof while continuing to provide access to the Project in the manner which exists as of the date of this Declaration, and (ii) the granting of utility easements as provided by Section 2.5(a) of Article II hereof; any conveyance or encumbrance of the Common Area shall also comply with voting requirements of C.R.S. 38-33.3-312.

(c) fail to maintain full current replacement cost fire and extended insurance coverage on the Common Area, and such other insurance as is required under this Declaration;

(d) use hazard insurance proceeds for loss to the improvements for other than repair, replacement or reconstruction of such improvements as herein provided; or

(e) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner; or

(f) a material change in any of the following provisions of this Declaration: voting rights; assessments, assessment liens, or the priority of assessment liens; reserves for maintenance, repair, and replacement of Common Areas; responsibility for maintenance and repairs; reallocation of interests in the Common Areas, or rights to their use; redefinition of any Lot boundaries; convertibility of Lots into Common Areas or vice versa; expansion or contraction of the Project, or the addition, annexation, or withdrawal of Property to or from the Project; insurance or fidelity bond; leasing of Lots; imposition of any restrictions on an Owner's right to sell or transfer his or her Lot; a decision by the Association to establish self-management when professional management had been required previously by this Declaration or by a First Mortgage holder; restoration or repair of the Common Areas (after hazard damage or partial condemnation) in a manner other than specified in this Declaration; any action to terminate the legal status of the Project after substantial destruction or condemnation occurs; or any provisions that expressly benefit First Mortgage holders, insurers, or guarantors.

Section 11.2 Additional Restrictions During Declarant Control. In addition to the provisions of Section 11.1 of this Article, after the Declarant has obtained evidence of approval for guaranteed or insured loans by Federal Housing Administration or the Department of Veterans Affairs and continuing until such time as the Period of Declarant Control has terminated, the prior written approval of the Department of Veterans Affairs or the Federal Housing Administration of the U.S. Department of Housing and Urban Development shall be required for any of the following:

(a) Amendment of this Declaration;

(b) Amendment of the Articles of Incorporation of the Association;

Declaration;

(c) Annexation of all or any part of any additional property to this

(d) Encumbering or mortgaging of all or any part of the Common Area;

(e) Dedication of all or any part of the Common Area, except for (i) the dedication to the City of Colorado Springs of Troy Court as a public street, should it elect to accept it, which dedication shall relieve the Association of the maintenance responsibility thereof while continuing to provide access to the Project in the manner which exists as of the date of this Declaration, and (ii) the granting of utility easements as provided by Section 2.5(a) of Article II hereof; and

(f) Merger, consolidation or dissolution of the Association. Any merger or consolidation shall also comply with C.R.S. 38-33.3-221.

Section 11.3 Implied Approval by Mortgagee. Notwithstanding any provision of this Declaration, any matter requiring Mortgagee approval will be assumed when that Mortgagee fails to submit a response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested. Any First Mortgagee shall be given notice of any proposed action requiring its consent, if the First Mortgagor has sent a written request to the Association, stating both its name and address and the Lot number or address of the Lot on which it has (or insures or guarantees) the Mortgage.

## ARTICLE XII

### GENERAL PROVISIONS

Section 12.1 Acceptance of Provisions of All Documents. The conveyance or encumbrance of a Lot or the improvements thereon shall be deemed to include the acceptance of all provisions of this Declaration, the Articles of Incorporation of the Association and the Association's Bylaws and rules and regulations, all of which shall be binding upon each Owner, his heirs, personal representatives, family, guests, tenants, successors and assigns, and everyone having an interest in the Lot without the necessity of inclusion of an express provision in the instrument of conveyance or encumbrance. The Association and the Owners shall obey and perform any protective or other covenants recorded against the Property prior to the recording of this Declaration.

Section 12.2 Enforcement. The Board, the Declarant or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Board or by the Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to promulgate rules and regulations to enforce or apply this Declaration, and all Owners and other parties subject thereto shall strictly comply therewith. In addition to all other remedies, the Board of Directors shall have the right, after notice and an opportunity of hearing, to impose upon any Owner reasonable fines for any breach by that Owner of the provisions of this Declaration, the Bylaws and/or the Association's rules and regulations. All rights and remedies provided in this Declaration are distinct and cumulative to any other right or remedy hereunder or afforded by law or in equity, and may be exercised concurrently, independently or successively.

Section 12.3 Non-Waiver. Any forbearance or failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration or of any subsequent enforcement of any such provision. The rights and remedies of the Association are distinct and cumulative to any other right or remedy hereunder or afforded by law or in equity and may be exercised concurrently, independently or successively without effect or impairment upon one another.

Section 12.4 Cumulative. Each of these covenants is cumulative and independent and is to be construed without reference to any other provision dealing with the same subject matter or imposing similar or dissimilar restrictions. A provision shall be fully enforceable although it may prohibit an act or omission sanctioned or permitted by another provision.

Section 12.5 Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 12.6 Conflicts of Provisions. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 12.7 Duration and Amendment. Each and every provision of this Declaration shall be binding upon each and every Owner, his heirs, successors, assigns and personal representative and shall run with and bind the land for a term of twenty (20) years from the date of recording of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each. Except as is otherwise provided herein, this Declaration shall not be revoked or terminated unless all of the Owners and all of the First Mortgagees agree to such termination or revocation by an instrument duly recorded and such termination and revocation shall comply with C.R.S. 38-33.3-218. This Declaration may be amended or modified by written document signed by Owners of Lots to which at least sixty-seven percent (67%) of the Proportionate Interests in the Association are attached and not less than sixty-seven (67%) of the First Mortgagees; provided, however, (a) that any section in this Declaration which requires a particular percentage of Owners and/or Mortgagees may be amended only by written consent of that percentage of those parties, (b) that this section may be amended by an instrument signed by Owners owning not less than ninety percent (90%) of the Lots, and one hundred percent (100%) of the First Mortgagees who have given the Association notice of their lien, and (c) that the Declarant hereby reserves the right, until the Period of Declarant Control is terminated, but without the vote of the Owners, to make such amendments to this Declaration, the Articles of Incorporation and/or the Bylaws, as may be permitted by the Act or as may be necessary to make clarifications or as may be approved in writing by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, or Department of Veterans Affairs so as to induce any of such organizations to make, purchase, sell, insure or guarantee First Mortgages covering any portion of the Property, and each Owner and Mortgagee by accepting a deed, Mortgage or other instrument affecting a Lot appoints Declarant as his attorney-in-fact for purposes of executing in said Owner's and/or Mortgagee's name and recording any such amendments to this Declaration, and each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of and a consent to the reservation of the power to the Declarant to make, execute and record any such amendments. The consent of any junior Mortgagee shall not be required under the provisions of this Article. In determining whether the appropriate percentage of First Mortgagee approval is obtained, each First Mortgagee shall have one (1) vote for each First Mortgage owned. To be effective, all amendments to this Declaration must be recorded in the office of the Clerk and Recorder of the county in which the Property is located, and an amendment must be indexed in the grantee's index in the name of the Project and the Association and in the grantor's index in the name of each person executing the amendment. The amendment shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association. All expenses associated with preparing and recording an amendment to the Declaration shall be the sole responsibility of the persons or parties as set forth in C.R.S. 38-33.3-217(6). The Association shall notify any First Mortgagee who has requested notice in writing of any proposed action under this Declaration which would require the consent of a specified percentage of First Mortgagees.

Section 12.8 Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing



EXHIBIT "A"  
TO  
DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS OF  
CAMPUS COMMONS

Legal Description of the "Property"

Lots 1-6, inclusive, 8-12, inclusive, and Lots 29-31, inclusive, and Tracts A, B and G in Campus Commons, City of Colorado Springs, County of El Paso, State of Colorado.

Lots 1-49, inclusive, and Tracts A and B, in Campus Commons Filing No. 2, City of Colorado Springs, Colorado, El Paso, State of Colorado.

63 lots

DECLARANT  
ELITE PROPERTIES OF AMERICA, INC.  
By \_\_\_\_\_  
Douglas M. Sample, Vice President  
ATTEST  
\_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal as of the \_\_\_\_\_ day of \_\_\_\_\_, 1996.

STATE OF COLORADO  
COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by \_\_\_\_\_ and \_\_\_\_\_ as Vice President and Secretary, respectively, of Elite Properties of America, Inc., a Colorado corporation.

WITNESS my hand and official seal.

Notary Public  
\_\_\_\_\_  
My commission expires \_\_\_\_\_



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EXHIBIT "A-1"  
TO  
DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS OF  
CAMPUS COMMONS

[ADD MAP OF THE PROJECT]

EXHIBIT "B"  
TO  
DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS OF  
CAMPUS COMMONS

LEGAL DESCRIPTION FOR EXPANSION PROPERTY

A parcel of land consisting of approximately 10.5 acres of vacant land located generally to the north of the Property which is reflected in the following tax schedule numbers:

Schedule #:	6328200	Parcel # 63282-00-026
Schedule #	6328200029	Parcel # 63282-00-029
Schedule #	6328200	Parcel # 63282-00-030
Schedule #	6328200	Parcel # 63282-00-033

EXHIBIT "C"  
TO  
DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS OF  
CAMPUS COMMONS

All of the following Lots located in Campus Commons, City of Colorado Springs, County of El Paso, State of Colorado.

<u>Lot</u>	<u>Proportionate Interest/Share</u>	<u>Assessments</u>	<u>Initial Maximum</u>
1	1/63rd	\$47.50	\$50.00
2	1/63rd	\$47.50	\$50.00
3	1/63rd	\$47.50	\$50.00
4	1/63rd	\$47.50	\$50.00
5	1/63rd	\$47.50	\$50.00
6	1/63rd	\$47.50	\$50.00
8	1/63rd	\$47.50	\$50.00
9	1/63rd	\$47.50	\$50.00
10	1/63rd	\$47.50	\$50.00
11	1/63rd	\$47.50	\$50.00
12	1/63rd	\$47.50	\$50.00
29	1/63rd	\$47.50	\$50.00
30	1/63rd	\$47.50	\$50.00
31	1/63rd	\$47.50	\$50.00

EXHIBIT "C"  
TO  
DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS OF  
CAMPUS COMMONS

All of the following Lots located in Campus Commons Filing No. 2, City of Colorado Springs,  
County of El Paso, State of Colorado.

<u>Lot</u>	<u>Proportionate Interest/Share</u>	<u>Assessments</u>	<u>Initial Maximum</u>
1	1/63rd	\$47.50	\$50.00
2	1/63rd	\$47.50	\$50.00
3	1/63rd	\$47.50	\$50.00
4	1/63rd	\$47.50	\$50.00
5	1/63rd	\$47.50	\$50.00
6	1/63rd	\$47.50	\$50.00
7	1/63rd	\$47.50	\$50.00
8	1/63rd	\$47.50	\$50.00
9	1/63rd	\$47.50	\$50.00
10	1/63rd	\$47.50	\$50.00
11	1/63rd	\$47.50	\$50.00
12	1/63rd	\$47.50	\$50.00
13	1/63rd	\$47.50	\$50.00
14	1/63rd	\$47.50	\$50.00
15	1/63rd	\$47.50	\$50.00
16	1/63rd	\$47.50	\$50.00
17	1/63rd	\$47.50	\$50.00
18	1/63rd	\$47.50	\$50.00
19	1/63rd	\$47.50	\$50.00
20	1/63rd	\$47.50	\$50.00
21	1/63rd	\$47.50	\$50.00
22	1/63rd	\$47.50	\$50.00
23	1/63rd	\$47.50	\$50.00
24	1/63rd	\$47.50	\$50.00
25	1/63rd	\$47.50	\$50.00
26	1/63rd	\$47.50	\$50.00
27	1/63rd	\$47.50	\$50.00
28	1/63rd	\$47.50	\$50.00
29	1/63rd	\$47.50	\$50.00
30	1/63rd	\$47.50	\$50.00
31	1/63rd	\$47.50	\$50.00
32	1/63rd	\$47.50	\$50.00
33	1/63rd	\$47.50	\$50.00
34	1/63rd	\$47.50	\$50.00
35	1/63rd	\$47.50	\$50.00
36	1/63rd	\$47.50	\$50.00
37	1/63rd	\$47.50	\$50.00
38	1/63rd	\$47.50	\$50.00
39	1/63rd	\$47.50	\$50.00
40	1/63rd	\$47.50	\$50.00
41	1/63rd	\$47.50	\$50.00
42	1/63rd	\$47.50	\$50.00
43	1/63rd	\$47.50	\$50.00
44	1/63rd	\$47.50	\$50.00
45	1/63rd	\$47.50	\$50.00
46	1/63rd	\$47.50	\$50.00
47	1/63rd	\$47.50	\$50.00
48	1/63rd	\$47.50	\$50.00
49	1/63rd	\$47.50	\$50.00

## CONSTRUCTION STANDARDS

(First Year Only)

### IMPORTANT NOTE

These standards are meant as a guide for both Builder and Homeowner and do not represent all possible standards covered.

### CONCRETE

#### 1 Foundation or Basement Walls.

Hairline cracks due to shrinkage are common in foundation and basement walls and are rarely a sign of structural deterioration. Any interior cracks exceeding one-eighth inch (1/8") will be considered excessive and will be repaired by surface patching by the Builder. A match in color or texture of the patching material cannot be guaranteed.

#### 2. Concrete Slab Floors in Finished Areas.

Due to varying soil conditions, concrete slab floors in living areas are designed to move independently of surrounding walls. Movement in excess of one inch (1") from the original floor level at the points it originally joined the surrounding wall, will be considered excessive. The Builder will correct to within the one inch (1") standard. Cracks exceeding one-fourth inch (1/4") shall be patched by the Builder.

#### 3 Concrete Slab Floors in Unfinished Areas (Garages, Basement, Utility Room)

Concrete slab floors in unfinished areas (garage, basement, utility room) are designed to move independently of surrounding walls. Movement in excess of four inches (4") or that which prevents or substantially interferes with normal use of those areas will be corrected by the Builder.

#### 4. Exterior Concrete Flatwork. ( Drives, Walkways)

Although we use good materials and qualified workmen, it is impossible to eliminate cracking in concrete. These cracks are very common and are caused by rapid changes in temperature, humidity and soil conditions, and are beyond the control of the manufacturer of the installer. These cracks rarely prevent normal use of the walk of drive. To help control this cracking, we "score" or groove flat concrete to allow the cracks to follow these pre-determined grooves. This prevents the majority of the cracks from being readily

CONSTRUCTION STANDARDS

apparent. We will not repair or warranty any cracking in exterior flatwork unless it exceeds one-fourth inch (1/4") and is noted by the Homeowner and countersigned by the Builder's representative on our "walk-through" check list and Declaration of Acceptance" form on the pre-closing walk-through appointment. We recommend any such cracks be sealed promptly by the Homeowner (see Recommended Maintenance).

5. Attached Entry Stoops or Patio Slabs

Poured concrete entry stoops will generally settle. If they heave or pull away from the house structure more than two inches (2"), the Builder will return the stoop to within the two inch (2") standard. Cracks exceeding one-eighth inch (1/8") are not acceptable in stoops and will be repaired by surface patching. Although the Builder will attempt to match as closely as possible, we cannot guarantee a match in color or texture of the patching material to the original surface. If poured concrete patio slabs settle or heave more than four inches (4"), the Builder will return patio slabs to within the four inch (4") standard.

CONCRETE

Due to varying soil conditions, concrete slab floors in living areas are designed to move independently of surrounding walls. Movement in excess of one inch (1") from the original floor level at the point it originally joined the surrounding wall, will be considered excessive. The Builder will correct to within the one inch (1") standard. Cracks exceeding one-fourth inch (1/4") shall be patched by the Builder.

3. Concrete Slab Floors in Unfinished Areas (Garage, Basement, Utility Room)

Concrete slab floors in unfinished areas (garage, basement, utility room) are designed to move independently of surrounding walls. Movement in excess of four inches (4") or that which prevents or substantially interferes with normal use of those areas will be corrected by the Builder.

4. Exterior Concrete Flatwork (Driveway, Walkways)

Although we use good materials and qualified workmen, it is impossible to eliminate cracking in concrete. These cracks are very common and are caused by rapid changes in temperature, humidity and soil conditions, and are beyond the control of the manufacturer of the installer. These cracks rarely prevent normal use of the walk or drive. To help control this cracking, we "score" or groove flat concrete to allow the cracks to follow these pre-determined grooves. This prevents the majority of the cracks from being readily

## **FINAL GRADE AND LOT DRAINAGE**

The final grading of your lot has been done to insure proper drainage. This is extremely important due to varying soil conditions. By professionally sloping and contouring your lot, water is directed away from the house to areas where it will not cause damage to the foundation. It is very critical that you maintain this grading. Special attention should be directed to all areas within ten feet (10') of the foundation. Any settling within this area should be filled immediately.

Although the Builder will fill areas that have sunk in excess of ten inches (10") [within ten feet (10') of your foundation] one time during your first year warranty, the Builder will assume no responsibility for shrubs or landscaping disturbed due to refilling. If you alter the original grading and defeat its ability to properly drain water, serious structural damage may result and you will immediately void your Warranty.

It is relatively easy to maintain proper drainage, but lack of this basic maintenance can cause serious damage. If you have any questions, please ask your Campus Commons Builders representative.

## **LANDSCAPING AND WATERING**

Improper landscaping, whether done by professional landscapers or the Homeowner, is by far the largest single cause of serious water damage to foundations. Here are a few simple rules to follow to prevent this.

- a. Do not alter the original drainage on your lot.
- b. Do not water within five feet (5') of your foundation. (Decorative rock is a far better choice than grass or shrubs that require watering.)
- c. Always maintain a positive slope away from your foundation. If settling occurs, correct it immediately, particularly areas around window wells.
- d. Make sure all gutters and down-spouts are clear and they drain onto a splash block or through a fold out extension. (Fold out extensions on down-spouts must be kept in the down position. Lift them only when necessary).
- e. Sprinkler systems are notorious offenders in foundation water problems. Use only reputable installers who offer a warranty on their equipment and installation. If the system should leak and cause foundation damage the installer will be your only recourse. Do not allow sprinklers to throw water within five feet (5') of your foundation.

## MASONRY

Small hairline cracks will occur in masonry joints. This is a normal condition. Cracks exceeding one-eighth inch (1/8") will be repaired by patching.

## WOOD

### 1. Rough Carpentry

The framing of your home is constructed to pre-set standards, but there will be some minor settling and natural adjustments as weight compresses the structure. This can cause some very minor shifting in walls and floors. Any wall that is out of "plumb" more than five-eighths inch (5/8") within an (8') vertical distance will be corrected to within the five-eighths (5/8") within the (1/4") out of level in any 32' horizontal run will be corrected to within the (1/4") to (32') standard. Wood subfloors that squeak due to natural causes, i.e., contraction, expansion due to humidity and temperature differences, will not be warranted. If squeaks are a symptom of a construction defect, that defect will be corrected.

### 2. Finish Carpentry (Doors, base, casing, wood caps, etc.)

Due to the changes in temperature and humidity levels in the area, mitered joints in door casings and base tend to separate slightly. If that separation exceeds 1/8 of an inch, the Builder will correct it by filling or re-attaching as necessary.

Any junctures between a finished wood trim and walls or masonry should not exceed on-quarter inch (1/4") standard.

Any interior doors that do not operate freely, without binding or failing to latch will be corrected. Any warped doors or jams will be replaced or adjusted so as to operate properly. Interior rough-sawn posts, beams or columns tend to naturally twist, split or warp. Unless there is actual structural failure, **no** warranty or adjustments will be made.

### 3 Siding and Exterior Trim

Cracks exceeding one-quarter inch (1/4") in finished siding or siding joints will be filled one time within the first year. Cracks and gaps are normal in trim and siding. Cracks or gaps that exceed one-half inch (1/2") in such trim will be corrected ~~one~~ one time only within the first year warranty period.

### 4 Exterior Doors and Windows

The main elements that affect the efficiency and mechanical operation of exterior doors and windows are the severe weather changes that occur in this area. Some air infiltration is expected. In some extreme cases, where both high winds and severe rains occur, some minor leaking around operating surfaces is unavoidable. The Builder will warrant that all windows and exterior doors are adjusted and sealed to within manufacturer's specifications. Any manufacturing or installation defects will be corrected within either the manufacturer's warranty period or the Builder's first year warranty coverage. Garage overhead doors are not weather sealed, and some infiltration of rain is normal.

### 5. Paint Color Coat.

Exterior and interior paint is warranted for one year against peeling, bubbling, or abnormal deterioration. Fading due to natural wear is not warranted. Normal spotting or fading to the color coat, from natural weather conditions, is not warranted.

Any repairs will be to affected areas only and will be matched in color as closely as possible. The repaired areas will be warranted only for the balance of the initial Builder's first year warranty period. The Builder will provide "touchup" for your personal use.

### 6. Fireplaces

The Builder warranties the mechanical operations of your fireplace for one year. A properly designed and installed fireplace should draw adequately under the full range of normal conditions. There will be periods of unusually high winds when the fireplace cannot function within its design criteria. No adjustments will be made for these unusual conditions.

## 7. Stained and Lacquered Woodwork

The Builder will provide a quality of staining and finishing consistent with the highest industry standards. We cannot guarantee an absolute matching of stain hue, particularly from individual board to board.

## 8. Sheetrock

Minor irregularities such as nail pops, hairline cracks or slight rippling are unavoidable in sheet rock walls and ceilings and are not warranted. However, poor workmanship, such as bubbles in the tape, or obvious knife marks will be corrected. Sprayed texture on sheetrock walls will vary in consistency of coverage and pattern. There is no warranty coverage on these visual differences (unless the appearance is below accepted industry practices). Hairline cracking is normal at tape and metal cornerbead joints due to the structure settling. Such settling cracks will be repaired once during your first thirty (30) days of occupancy.

## 9. Carpeting

Carpeting will be installed so as not to have bubbles, wrinkles or frayed edges, and it will be secured along all edges. If any of these conditions develop within the first year of warranty, they will be corrected by the Builder. Seams, in many cases will be visible, although, any actual gaps between the butted backing, will be corrected. The Builder cannot guarantee a perfect color match when replacing or repairing carpet.

## 10. Resilient Flooring (Vinyl)

Gaps in resilient floor seams should not exceed one-sixteenth inch (1/16") of an inch. Some minor ridges or depressions may appear through the line from the concrete beneath. Ridges or depressions greater than one-eighth inch (1/8") will be corrected.

Tile floors will be warranted for (1) year against cracks due to poor installation. Due to the tile being in a high traffic area the grout wear and discoloring will not be covered under this warranty.

The Builder cannot be responsible for differences in color or discontinued patterns on any repaired or replaced flooring. The Builder will not warranty any damage, such as rips, gouges, tears, stains or buff marks unless noted by Homeowner and countersigned by the Builder's representative at the time of the pre-closing walk-through.

## 11. Countertops

Tile countertops are subject to considerable wear and tear. Gaps in tile grout should not exceed one-sixteenth inch (1/16"). Any gaps in excess of one-sixteenth inch (1/16") will be patched and repaired. Any area requested by homeowner to be grouted in excess of one-sixteenth inch (1/16"), will not be covered past the one year builder's warranty.

The Builder cannot be responsible for differences in color or discontinued patterns on any repaired or replaced tile. The Builder will not warranty any damage, such as chips, gouges, scratches or hairline cracks unless noted by Homeowner and countersigned by the Builder's representative at the time of the pre-closing walk-through.

## 12. Roofing

The Builder warrants that no roof or flashing leaks should occur (other than those caused by extreme weather conditions) within the first year of warranty. Gutters are designed to be hung level and it is normal for a small amount of water to stand in them. However, if the water level exceeds one inch (1"), the Builder will correct to standard. Some moisture entry (snow or rain) into the attic area through ventilation openings during high winds is unavoidable. No warranty coverage for this situation is provided.

## 13. Cabinets

Cabinets will be warranted against manufacturing defects. Doors warping more than one-fourth inch (1/4") during the first year warranty period will be adjusted (or replaced) to within the one-fourth inch (1/4") standard.

"Timberlake" cabinets carry a 5 year warranty. Any adjustments after the first year must be made with Timberlake.

## 14. Caulking and Grout

Exterior caulking may crack or pull away due to natural expansion and contraction caused by extreme weather conditions. The Builder will re-caulk once during the first year warranty period if those cracks or gaps exceed one-half inch (1/2"). Interior caulking and grout is subject to much the same problem as exterior caulk, but to a lesser degree; i.e., changes in temperature, humidity and natural settling.

## 15. Plumbing

The Builder warrants that all plumbing conforms to accepted industry standards and practices and applicable local codes. Specifically as follows:

a. No leaks should occur in any drains or supply lines or their joints or couplings during the first year of warranty. Dripping of faucets due to normal wear in replaceable washers is not warranted.

b. Plumbing fixtures such as faucets, stools, tubs, sinks, and shower heads are warranted against manufacturing defects for the first year warranty period. The Builder cannot guarantee exact color or style match on repaired or replaced items, but will use comparable quality

c. The Builder will not be responsible for clogged stools or drains that are caused by the Homeowner. The Builder will be responsible for clearly determined construction defects; otherwise, the Homeowner shall bear all repair costs.

## 16. Exterior faucets (Sill Bibs)

Outside sill bib faucets will freeze and burst if a hose or switching apparatus is left attached during any freezing period. The Builder **will not** warranty any damage due to the outside faucet freezing.

## 17. Heating

The Builder warrants that the heating system will be installed in accordance with the ASHRAE handbook standards. The heating system will be able to bring the temperature in all finished rooms to at least 70% if measured at the center of the room and at a height of five feet (5") under winter conditions normal to this area for the first year warranty period

The Homeowner will be responsible to make the adjustments of registers to distribute warm air flow to balance particular rooms in the system. Heating fixtures are warranted to the extent of their individual manufacturer's warranties.

HOMEOWNER MAINTENANCE

18 Electrical

Electrical wiring, fixtures, switches and receptacles shall conform to all applicable codes and shall be warranted against manufacturing or installation defects for the first year warranty period.

Any modifications, elimination or additions to the electrical system without the written permission of the Builder will void any and all warranties on the electrical system.

19. Insulation

Each unit is insulated to at least current Building Code Requirements. A certificate is attached on the wall of the garage. These certificates provide information regarding type, amount, and "R" Factor of insulation used.

- May we suggest you keep the following on hand:
1. One tube of good acrylic exterior caulk to seal gaps in exterior caulding. (You can usually buy them in color to match your siding or trim.)
  2. One tube of white latex painter's caulk to seal hairline cracks in sheetrock.
  3. One tube of tub and tile caulk (or similar product) to seal hairline cracks in tub and tile grout.
  4. A piece of white petroleum wax to lubricate all sliding door and window tracks.
  5. A paint set of hand tools: Blade screwdriver, Phillips screwdriver, pliers, medium adjustable wrench, 1" stiff blade paint scraper or putty knife, 16 ounce hammer with straight claw, a small selection of various nails and screws, and a long handled, pointed blade shovel.
- With this small investment, you can adequately handle the normal maintenance items that occur, particularly such items as your sliding screen door, door track sets, bolts and nuts on your garage overhead door, minor sealing of soil around foundation, etc.

## HOMEOWNER MAINTENANCE

Although Campus Commons provides considerable warranty coverage, your ownership of this fine home also includes certain Homeowner maintenance responsibilities to insure its lasting beauty and soundness

We live in an area that has considerable weather changes. We can experience temperatures below freezing to sub-zero in the winter with low levels of humidity to summer temperatures that can easily exceed 90 degrees (F). With these kinds of weather changes, you may see some minor movement in the overall components of your home. This movement can show up as hairline cracks along sheetrock metal corner beads, countertop backsplashes, grout between ceramic tile, or 45 joints in base and casing. It may cause some minor floor squeaks or slight sticking of doors and windows. This certainly does not mean you have a 'loose' or defective structure. It does mean your home is constructed principally of wood and it is reacting normally to both inside and outside environmental influences.

The Builder will assist you one time during your first year warranty period with many of these maintenance items. (See "Standards" and "Suggested Maintenance Schedule") It is very much to your advantage to follow this maintenance schedule and also to adjust and reseal when (and if) necessary.

May we suggest you keep the following on hand:

1. One tube of good acrylic exterior caulk to seal gaps in exterior caulking. (You can usually buy them in colors to match your siding or trim.)
2. One tube of white latex painter's caulk to seal hairline cracks in sheetrock
3. One tube of 'tub and tile' caulk (or similar product) to seal hairline cracks in tub and tile grout.
4. A piece of white paraffin wax to lubricate all sliding door and window tracks.
5. A basic set of hand tools: Blade screwdriver, Phillips' screwdriver, pliers, medium adjustable wrench, 1" stiff blade paint scraper or putty knife, 16 ounce hammer with straight claw, a small selection of various nails and screws, and a long handled, pointed blade shovel.

With this small investment, you can adequately handle the normal maintenance items that occur, particularly such items as your sliding screen doors, door knob sets, bolts and nuts on your garage overhead door, minor settling of soil around foundation, etc.

If you would like assistance in learning proper maintenance practices, the Builder's Service Manager would be happy to set an appointment with you, at your home, and explain maintenance procedures in detail. Also, to help you maintain the beauty and value of your home we have compiled a Homeowner's "Recommended Yearly Maintenance Schedule". Some of the adjustments will be conditionally included under your first year warranty period coverage. You can submit those particular items to the Warranty Department in writing during your first year warranty periods.

## 1. DEFINITIONS

The Warranties contained herein are subject to the following definitions.

1.1 A major construction defect is actual damage resulting from a defect in materials or workmanship (quality of materials and workmanship to be equal to current industry practice and as described in *ConsensusDocs "Construction Standards"*, which has been provided by the Builder and said defect substantially affects the structural soundness of the Home or renders the Home uninhabitable or dangerous or which seriously affects the use of the Home for ordinary residential purposes for an extended period of time.

1.2 "Major Structural Components." Major structural components are as follows:

- (i) roof rafters and trusses
- (ii) ceiling and floor joists
- (iii) structural floor systems and slabs in the living area of the Home
- (iv) load-bearing partitions and walls
- (v) load-bearing beams and headers
- (vi) foundation systems and footings

1.3 "Non-Structural Components." The non-structural components are as follows:

- (i) roof shingles and sheathing
- (ii) sheetrock and plaster
- (iii) siding

## WARRANTY EXCERPTS

**1.1 Defects covered during first year.** Subject to the provisions hereof, and of Campus Commons' "Construction Standards" (a copy of which has been given to the Homeowner and is incorporated by this reference), Builder agrees and warrants to Homeowner that the Home will be free of major construction defects in both the structural and non-structural components (as defined in "Definitions" in section 2, and described in "Standards" on pages 4-12 ) for a period of one year from the date hereof.

**1.2 Defects covered during second through third years.** Subject to the provisions hereof, Builder agrees and warrants to Homeowners that the Home will be free of major construction defects, in the load-bearing structural components for a period commencing one year from the date hereof and ending three years hereafter.

## 2. DEFINITIONS

The Warranties contained herein are subject to the following definitions.

**2.1** A major construction defect is actual damage resulting from a defect in materials or workmanship (quality of materials and workmanship to be equal to current industry practices and as described in Campus Commons' "Construction Standards"), which has been provided by the Builder and said defect substantially affects the structural soundness of the Home or renders the Home uninhabitable or dangerous or which seriously affects the use of the Home for ordinary residential purposes, for an extended period of time.

**2.2 "Major Structural Components".** Major structural components are as follows:

- (i) roof rafters and trusses
- (ii) ceiling and floor joists
- (iii) structural floor systems and slabs, in the living area of the Home
- (iv) load-bearing partitions and walls
- (v) load-bearing beams and headers
- (vi) foundation systems and footings

**2.3 "Non-Structural Components".** The non-structural components are as follows:

- (i) roof shingles and sheathing
- (ii) sheetrock and plaster
- (iii) siding

- (iv) brick or stone veneer
- (v) floor sheathing, carpet, vinyl, tile and ceramic
- (vi) ceramic wall tile
- (vii) non-load bearing walls or partitions
- (viii) non-structural concrete floors in attached garages, basements, utility and laundry areas or other areas not finished by the Builder as living space
- (ix) electrical, heating, cooling, and plumbing systems; doors, windows, trim, cabinets, hardware and insulation which have been affixed to the Home.

**2.4 "Condominium" or "Townhome".** If the Home is a condominium or townhome unit, then the common elements and common walls are covered by this agreement to the extent such elements or walls constitute structural components or non-structural components as described herein.

**2.5 "Pre-Closing Walk-Through".** The Builder will provide the Homeowner with an opportunity to examine and note any actual defects or damage in the Home prior to closing. This "walk-through" appointment will be with the Builder's Construction Department representative.

### 3. LIMITATIONS

THESE WARRANTIES SHALL NOT COVER, INCLUDE, OR EXTEND TO ANY OR ALL OF THE FOLLOWING

**3.1** Any defect in concrete flatwork, fences, retaining walls, landscaping or final grading not noted in writing by the Homeowner and countersigned by the builder's representative on the Builder's "Walk-through Check List and Declaration of Acceptance" form at the time of the pre-closing walk-through provided by the Builder to the new Homeowner before closing on the Home. The defect to be adjusted only to the extent agreed upon in writing by the Builder's representative on the above mentioned form.

**3.2** Any defect in, or damage caused by, materials or work supplied by anyone other than the Builder's employees, contractors or subcontractors.

**3.3** Any defect, loss, or damage caused by or made worse by any act or omission of the Homeowners or any person or entity other than the Builder.

3.4 Any defect, loss, or damage resulting from any of the following: ordinary wear and tear, ordinary expansion, contraction and natural minor settling that may produce hairline cracks in sheetrock or wood trim. Normal deterioration, acts of abuse, carelessness, neglect, or lack of reasonable maintenance, accidents or acts of God, including but not limited to: fire, explosion, smoke, water escape, changes in the level of underground water table, glass breakage, wind storm, hail, lightning, falling trees, aircraft, vehicles, flood, earthquake, soil erosion, earth heave or settlements, insects, and any other casualty covered by insurance.

3.5 Any appliances or fixtures in which a manufacturer's warranty is provided to the Homeowner.

3.6 Any loss or damage resulting from the Homeowner's obstruction or hindrance of any effort by the Builder to complete repairs or replacement in a manner consistent with standard, accepted industry practices.

3.7 Any defect visible to the eye, of a "damaged" nature on any finished surface or products or construction such as: glass, formica, vinyl, porcelain, plumbing fixtures, metal, fireplace casing, finished wall surface or carpet staining. Such damages to be defined as chips, gouges, cuts, stains, rips and burns which are noted by the Homeowner and countersigned by the Builder's representative on the "**Builder's Walk-through Check List and Declaration of Acceptance Form**" at the time of the pre-closing walk-through or upon waiver of the pre-closing walk-through inspection by the Owner.

3.8 Builder's obligation under these warranties shall be limited to repair or replacement. Builder shall have the sole choice between repair or replacement and the manner thereof. Replacement items or components will be substantially comparable to those replaced (although identical colors, styles, and other features may not be used, if unavailable.) Any actions taken by the Builder to correct defects shall not constitute admissions of liability or act to extend the term or provisions of these warranties. In the event the Builder repairs, replaces or pays the cost of repairing any defect covered by this agreement, the Homeowners shall, upon request by the Builder, promptly assign to the Builder the proceeds of any insurance covering such defect.

3.9 Builder warranties only Homeowner-occupied homes. Renting or leasing of the home by the Homeowner to any one other than immediate family members will void all but the 'Major Structural' coverage of the warranty.

3.10 Any damage caused by Homeowner installed landscaping, garden, decking, etc. that hinders or defeats the ability of the Builder's established swills and drainage system, to drain water away from the foundation

#### 4. HOMEOWNER'S OBLIGATIONS

4.1 The Homeowner shall maintain and use the Home in a reasonable manner; shall perform all ordinary and necessary maintenance required to keep it in good condition, and as required by Builder's "Homeowner's Maintenance Information", and shall not commit or permit any act or omission which creates or permits a defective condition to begin, continue, or expand. Homeowners residing in the Patio Homes in Area 3 shall maintain the Builder's grading and drainage system and landscaping required to ensure adequate drainage of any water or moisture away from the home.

4.2 The Homeowner shall give the Builder prompt written notice of any defect covered by this agreement as soon as possible after such defect first becomes apparent, but no later than the warranty periods set forth herein. The Homeowner shall make reasonable efforts to inspect and watch for such defects. Any failure by the Homeowner to perform fully and promptly any and all obligations contained herein shall result in the immediate and automatic termination of Builder's obligations thereunder or otherwise, and shall fully and completely release Builder from any further obligation or liability to the Homeowner for such defect.

## DO'S AND DON'TS

### 1. Exterior faucets are freeze proof and can be used year round....if -

You do not leave a hose or "y" connector attached to the faucet after you have finished watering during freezing weather. This will cause water to "back-up" into the faucet and defeat its ability to drain. The results will be a burst sill bib pipe and possible water damage to your home. The Builder assumes no responsibility for frozen sill bib faucets.

2. **Drainage.** Do not change the original Builder's grading of your lot without first contacting the Builder for proper procedure. Altering the grading, which can change the drainage of your lot, will void your Warranty on your home. We will be happy to advise you at any time during your Warranty. (See "Standard" and "Homeowner's Maintenance" for particulars on drainage.).

3. **Countertops.** Your countertops will provide many years of beauty and serviceability if you follow these simple rules:

- A. Don't use your countertop as a cutting board!
- B. Always use a heat pad under any hot pans or appliances. (Excessive heat will lift the adhesive.)
- C. Don't use abrasive cleaners! There are a number of excellent cleaners specifically designed for cleaning and shining countertops available at grocery and hardware stores.

4. **G.F.I.** Your home is equipped with a special sensitive electrical breaker system called a G.F.I. (Ground Fault Interrupter) This special breaker is on the bath, garage, kitchen and exterior circuits. Its job is to help protect you and your family should you inadvertently cause a "short" in the circuit by using an electrical appliance while in contact with water (a hair dryer accidentally pushed or dropped into a sink or a grass trimmer used in wet conditions, etc.). These circuit protectors are extremely sensitive, and on occasion will "break/trip" due to static electricity or slight drag from an old or defective appliance motor. It is very easy to reset the G.F.I. breakers in your home. You will see a breaker with a red "test" and "reset" button. Simply push the "test" and then the "reset" button. If the "reset" will not return to the "in" position, contact the Builder's Warranty Department.

5. **Water Heater.** Do drain a pail of water from your water heater every other month to prevent mineral build-up. Don't allow an electric water heater to remain plugged in if, for any reason, it has drained completely. This will damage the internal heating elements.

6. **Vinyl Surfaces (Flooring).** Use extreme care when moving appliances across vinyl flooring; the surface can be ripped or gouged by the appliance feet. A piece of carpet under the appliance works well.

7. **Bathroom Tile Surfaces.** Insure that after each bath/shower all remaining water is removed from tiled seats, ledges & window sills.

8. **Furnace.** Change or clean furnace filters regularly to maintain efficiency. (See "Recommended Yearly Maintenance Schedule").

9. **Remodeling.** Contact the Warranty Department if you intend to add to or modify any part of the structure of your home: be it framing, plumbing, heating or electrical. We will be happy to advise you on proper procedure for your modification (if allowed) that will maintain your warranty coverage.

10. **Landscaping.** We don't recommend: Planting trees, bushes, shrubs, etc., near the foundation. The watering necessary for such plants can cause damage to your foundation and void your warranty.

11. **Do feel free to contact the Warranty Department by mail with any questions concerning your new home.**

<p>Warranty Department will be happy to assist you with any questions concerning your new home. Please contact us at (800) 555-1234 or visit our website at www.ourcompany.com.</p>	<p>Our goal is to provide you with the best possible customer service. We are committed to your satisfaction and will do our best to resolve any issues you may have.</p>	<p>Thank you for choosing our company. We are proud to be a part of your home.</p>	<p>For more information, please contact our customer service team at (800) 555-1234.</p>
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Recommended Yearly Maintenance Schedule

RECOMMENDED YEARLY MAINTENANCE SCHEDULE

WHEN	WHAT	WHY	WARRANTY COVERAGE?
<p>Each Month</p>	<p>1. A quick check of all "shut-off" valves under sinks and behind stools.</p>	<p>Normal use of hot and cold water through these valves can occasionally cause enough expansion and contraction to cause minor leaks at the Packing nut.</p>	<p>If Notified, Warranty Department will tighten during First Year.</p>
	<p>2. Check for cracks in the grout between bath tile; also for a proper seal along bottom of tub where vinyl floor joins</p>	<p>If allowed to go unsealed, sufficient moisture can get behind tile and cause damage. Moisture under your vinyl flooring will cause permanent discoloration</p>	<p>If notified, Warranty Department will re-grout cracks once during First Year.</p>
	<p>3. Small drop of medium weight oil on overhead garage door rollers.</p>	<p>This helps the door to operate easily and prolongs the life of the roller and guide assembly.</p>	<p>Homeowner Maintenance Only.</p>
	<p>4. Push "test" button on GFI circuit and reset with "Reset" button or switch.</p>	<p>This is a sensitive vital safety feature of your electrical system.</p>	<p>If switch won't reset, contact Warranty Department.</p>
	<p>5. Check area around foundation for soil settling or erosion that would occur after original drainage</p>	<p>Some settling may occur. If it is corrected immediately, no harm will be done. If it is allowed to remain or worsen, serious damage to your home can result.</p>	<p>Warranty Department will fill any settling greater than ten inches (10") within ten feet (10') of your foundation one time during your First Year.</p>
	<p>6. Check exterior dryer vent for lint buildup.</p>	<p>To prevent fire danger.</p>	<p>Homeowner Maintenance Only</p>

## Yearly Recommended Maintenance Schedule

WHEN	WHAT	WHY	WARRANTY COVERAGE?
Every 2nd Month	1. Tighten nuts and screws of garage overhead door.	The vibration of opening and closing the garage overhead door causes the fasteners to loosen. Eventually, if not tightened the door will be damaged.	Homeowner Maintenance Only.
	2. Drain a pail of water out of your water heater.	This prevents mineral build-up which can damage the unit.	Homeowner Maintenance Only.
	3. Clean or replace furnace filter.	Keeping your furnace filter clean maintains the efficiency of the unit.	Homeowner Maintenance Only.
	4. Check for ease of operation when opening or closing your entry door. Does the knob latch securely? Does the Dead Ball seat easily?	Normal settling can cause a misalignment of the heavy entry door in its jamb opening. This will cause the door to bind, the lock to operate stiffly, or not at all.	If notified the Warranty Department will correct this situation any time during the First Year of Warranty.
	5. Vacuum dirt/sand from all aluminum window and door tracks. Then lubricate with Paraffin Wax.	This area has a great deal of fine sand and grit that is blown and carried into your home. When it collects in the aluminum window or door tracks, it will cause them to bind and drag, which will soon cause permanent damage.	Homeowner Maintenance Only.
	6. Adjust and tighten (if necessary) the screws on sliding screen door top guides.	The sliding screen doors are suspended from each top corner by adjustable nylon guides. The screws that hold the guides in proper adjustment can, through the vibration of use, become loose. If not retightened they will cause the door to drag or bind and will eventually cause damage to the unit.	Homeowner Maintenance Only.
Every 3rd Month	1. Add a small amount of drain cleaner (plastic safe, only) to all drains.	Hair build-up in tub/shower and lavatory drains, and food waste in kitchen sinks can be eliminated with a regular dose of drain cleaner.	Homeowner Maintenance Only.

Yearly Recommended Maintenance Schedule

WHEN	WHAT	WHY	WARRANTY COVERAGE?
Every 6th Month	1. Clean out gutters and downspouts.	Blockage due to leaves, refuse etc., can cause damage to the house structure by allowing high concentrated amounts of water to discharge against the house and near the foundation	Homeowner Maintenance Only.
	2. Check roof for wind/weather damage.	We live in an area of extremely high winds, and violent hail storms. Either of these conditions can cause damage to your roof. Also, minor damage, if allowed to go unrepaired can soon become serious.	Homeowner Maintenance Only. Contact your Homeowner's Insurance for damage claims.
	3. Seal any hairline cracks in concrete flatwork	Hairline cracking is the unavoidable result of temperature and humidity changes, and normally does not affect the strength of the flatwork. However, to lessen the amount of separation in the cracks, we recommend you seal them with a good grade of concrete sealant	Homeowner Maintenance Only.
	4. Close or open crawl space vents according to the season: Spring - open; Fall - close	Vents are required on crawl areas to allow moisture to escape during high humidity periods, but during winter months the level is low and the vents should be closed to prevent plumbing lines from freezing.	Homeowner Maintenance Only
Once Each Year	1. Have furnace cleaned and adjusted by qualified company.	Longer life and more efficient operation.	Homeowner Maintenance Only.
	2. Check fireplace flue and stack for creosote build-up and obstructions	Safe operation.	Homeowner Maintenance Only
	3. Examine exterior of house for weather damage. Repair as necessary	Surfaces chipped from hail or wind damage should be corrected to prevent further damage.	Homeowner Maintenance Only.
	4. Examine entire lot to determine if proper drainage swales are operating as originally designed	The proper drainage of your lot is critical to prevent damage to your foundation	Homeowner Maintenance Only

AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
CAMPUS COMMONS HOMEOWNERS ASSOCIATION

Campus Commons Homeowners Association is a Colorado nonprofit corporation (the "Corporation"), the Articles of Incorporation for which were filed on March 26, 1996 with the Colorado Secretary of State. All of the Directors and the sole member of the Corporation now desire to amend and restate the Articles of Incorporation of the Corporation. All of the restated articles as set forth herein correctly set forth the Articles of Incorporation, as amended. The amendments have been duly adopted by the unanimous consent of all of the directors dated as May 26, 1996 and the sole member.

The Articles of Incorporation, as amended, of Campus Commons Homeowners Association are as follows:

ARTICLE I

Name

The name of this Corporation shall be CAMPUS COMMONS HOMEOWNERS ASSOCIATION.

ARTICLE II

Duration

The term of existence of this Corporation is perpetual.

ARTICLE III

Purposes

The business, objects and purposes for which the Corporation is formed are as follows:

1. To be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Campus Commons, and any amendment or supplement thereto (hereinafter called the "Declaration" and the definitions and provisions thereof are incorporated herein by this reference as if set forth at length) which has been or will be recorded in the records of the Clerk and Recorder of the County of El Paso, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association.

2. To provide an entity for the furtherance of the interests of all of the Owners, including the Declarant named in the Declaration, of Lots in with the objectives of establishing and maintaining as a project of quality and value; enhancing and protecting its value, desirability and attractiveness; promoting the health, safety and welfare of the residents of said project and providing for the maintenance, preservation and architectural control of the Lots and Common Area within said Project.



## ARTICLE V

### Membership

1. This Corporation shall be a membership corporation without certificates or shares of stock. As more fully provided in the Declaration, every person or entity, who is a record owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

2. A membership in this Corporation and the share of a Member in the assets of this Corporation shall not be assigned, encumbered or transferred in any manner except as appurtenant to the transfer of title to the Lot to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security instrument on a Lot as further security for a loan secured by a lien on such Lot.

3. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains; provided however, that the Bylaws of this Corporation may contain reasonable provisions and requirements with respect to recording such transfers on the books and records of this Corporation.

4. Members shall have the right to purchase other Lots and to exercise the membership rights appurtenant thereto as provided in the Declaration.

5. This Corporation may suspend the voting rights of a Member for failure to comply with rules and regulations or the Bylaws of the Association or with any other obligations of the Owners of a Lot under the Declaration. All Members shall be entitled to vote on all matters except Members who are in default in any obligations to the Association. Cumulative voting is prohibited.

6. The Bylaws may contain additional provisions setting forth the rights, privileges, duties and responsibilities of the Members; provided however, the provisions of these Articles of Incorporation and the Bylaws shall be subject to the covenants, terms and provisions of the Declaration which shall control in the event of any conflict, and the provisions of these Articles of Incorporation shall control over any conflicting provisions in the Bylaws.

## ARTICLE VI

### Voting Rights

Each Lot shall have the voting rights based upon the Owner's Proportionate Interest as set forth in the Declaration, and the affirmative vote of a majority based upon all Owners' Proportionate Interests shall be required for decisions and action by the Association, unless otherwise provided herein or in the Association's Declaration or Bylaws. If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast all votes allocated to that Lot. Alternatively, if more than one person holds an interest in a Lot, they may appoint one of their co-owners as proxy to cast the vote for that Lot. The vote for such Lot shall be cast as the Owners holding a majority interest in thereof agree, but in no event shall they cast more than the Proportionate Interest allocated to that Lot on any one question. If such Owners of such Lot cannot agree as to the manner in which their vote shall be cast when called upon to vote, then they will be treated as having abstained; during any such period, each Owner shall retain all other rights and obligations of membership in the Association.

## ARTICLE VII

### Board of Directors

1. The business and affairs of the Corporation shall be conducted, managed and controlled by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors, and thereafter the specific number shall be set forth as provided in the Bylaws of the Corporation, but shall not exceed nine (9) Directors. Except as appointed by the Declarant, Directors shall be Owners as defined in the Declaration.

2. The names and addresses of the members of the initial Board of Directors who shall serve until the first annual meeting as provided in the Bylaws and until their successors are duly elected and qualified are as follows:

Douglas M. Stimple	888 Garden of the Gods Road, Ste. 200 Colorado Springs, CO 80907
Jeffrey B. Smith	888 Garden of the Gods Road, Ste. 200 Colorado Springs, CO 80907
Thomas O. Speer	888 Garden of the Gods Road, Ste. 200 Colorado Springs, CO 80907

3. Directors shall be elected, replaced and removed and vacancies of the Board of Directors shall be filled in the manner and for the terms as provided in the Declaration and the Bylaws.

4. To the fullest extent permitted by the Colorado Nonprofit Corporation Act, as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation for monetary damages for breach of fiduciary duty as a director.

## ARTICLE VIII

### Officers

The Board of Directors may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the Board believes will be in the best interest of the Corporation. The Officers shall have such duties as may be prescribed in the Bylaws of the Corporation and shall serve at the pleasure of the Board of Directors.

## ARTICLE IX

### Dissolution, Merger or Consolidation

The Corporation may be dissolved, merged or consolidated as provided by C.R.S. 38-33.3-221 but subject to the Declaration. Upon dissolution of the Corporation other than incident to a merger or consolidation, the assets of the Corporation shall be distributed and transferred as the Members may direct, subject to the requirements, limitations and other provisions of the Declaration. In such event, the assets may be granted, conveyed and assigned to any public agency, non-profit corporation, association, trust or other organization to be devoted to purposes similar to those for which this Corporation was created.

ARTICLE X

Initial Registered Office and Agent

The initial registered office of the Corporation shall be 888 Garden of the Gods Road, Ste. 200, Colorado Springs, El Paso County, Colorado 80907. The initial registered agent shall be Thomas O. Speer whose address is the same as the initial registered office.

ARTICLE XI

Amendment

Amendments to these Articles of Incorporation shall require the consent of Members holding at least sixty-seven percent (67%) of the Proportionate Interests as defined in the Declaration, provided however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE XII

Nonprofit Purposes

The Corporation is formed under the Colorado Non-Profit Corporation Act and not for pecuniary profit or financial gain. The Corporation is organized and operated to provide for the acquisition, construction, management, maintenance and care of property of the Project as provided in the Declaration.

ARTICLE XIII

Incorporator

The Incorporator of the Corporation as set forth in the original Articles of Incorporation is Caroleen French Jolivet, whose address is 102 N. Cascade, Ste. 350, Colorado Springs, Colorado 80903.

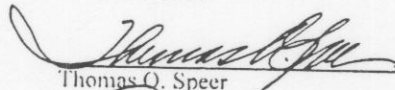
ARTICLE XIV

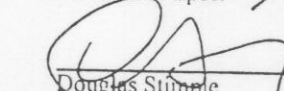
FHA/VA Approval

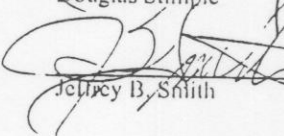
After the Declarant had sold a sufficient number of Lots to obtain evidence of approval for guaranteed or insured loans by the Federal Housing Administration or the Department of Veterans Affairs and continuing until such time as the Period of Declarant Control, as defined by the Declaration, has terminated, the following actions will require the prior approval of the Federal Housing Administration or the Department of Veterans Affairs: annexation of additional properties, mergers and consolidations of this Corporation, mortgaging or encumbering of Common Area, dedication of Common Area, dissolution of this Corporation and amendment of these Articles.

IN WITNESS WHEREOF, for the purposes of forming this Corporation under the laws of the State of Colorado, the undersigned, constituting the Incorporator of this Association, has executed these Articles of Incorporation as of May 3, 1996.

DIRECTORS:


  
 \_\_\_\_\_  
 Thomas O. Speer

  
 \_\_\_\_\_  
 Douglas Stimpfle

  
 \_\_\_\_\_  
 Jeffrey B. Smith

SOLE MEMBER:

ELITE PROPERTIES OF AMERICA, INC.,  
a Colorado corporation

By:   
 Its: Vice President

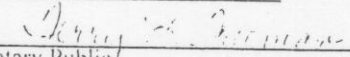
STATE OF COLORADO )  
 ) ss.  
 COUNTY OF )

This document was acknowledged before me this 1 day of JUNE, 1996  
 by Thomas O. Speer.

Witness my hand and official seal.

My commission expires: 1-31-98

(SEAL)

  
 \_\_\_\_\_  
 Notary Public

STATE OF COLORADO )  
COUNTY OF ) ss.

This document was acknowledged before me this 6 day of JUNE, 1996  
by Douglas M. Stimple.

Witness my hand and official seal.

My commission expires: 1-31-98  
[Signature]  
Notary Public

(SEAL)

STATE OF COLORADO )  
COUNTY OF ) ss.

This document was acknowledged before me this 6 day of JUNE, 1996  
by Jeffrey B. Smith.

Witness my hand and official seal.

My commission expires: 1-31-98  
[Signature]  
Notary Public

(SEAL)

STATE OF COLORADO )  
COUNTY OF EL PASO ) ss.

The foregoing instrument was acknowledged before me this 6 day of JUNE, 1996, by  
Douglas M. Stimple as Vice President of Elite Properties of  
America, Inc., a Colorado corporation.

WITNESS my hand and official seal.

(SEAL)

[Signature]  
Notary Public  
Address: 888 Union of the Plains Blvd  
100 Springs, Colorado  
My commission expires: 1-31-98

**BYLAWS**  
**OF**  
**CAMPUS COMMONS HOMEOWNERS ASSOCIATION**

The following Bylaws correctly set forth the provisions of the Bylaws of **CAMPUS COMMONS HOMEOWNERS ASSOCIATION** and were duly adopted pursuant to the Colorado Non-Profit Corporation Act:

ARTICLE I

NAME AND LOCATION

The name of the corporation is **CAMPUS COMMONS HOMEOWNERS ASSOCIATION**, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 888 Garden of the Gods Road, Colorado Springs, Colorado 80907, but meetings of members and Directors may be held at such places within the County of El Paso as may be designated by the Board of Directors, which shall also be known and referred to sometimes herein as the "Board".

ARTICLE II

DEFINITIONS

All terms which are defined in the Declaration of Covenants, Conditions and Restrictions of Campus Commons (hereinafter called the "Declaration" and incorporated herein by this reference) shall have the same meaning herein.

ARTICLE III

MEETING OF MEMBERS

Section 3.1 Membership and Voting Rights. The requirements and conditions of membership and of voting rights shall be as provided in the Declaration and the Articles of Incorporation. Notwithstanding anything herein to the contrary, the Declarant shall have the right to appoint the Board of Directors and to operate the Association until the Period of Declarant Control is terminated, and the Association shall not begin to function through its other Members until such time, unless the Declarant otherwise consents in writing.

Section 3.2 Annual Meetings. The first annual meeting of the Members shall be held within one year of the date of incorporation, and each subsequent annual meeting of the Members shall be held during the same month of each year thereafter at a place, date and time, within the State of Colorado, as the Board of Directors may determine.

Section 3.3 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of Owners of Lots to which at least twenty percent (20%) of the votes (based upon Proportionate Interests) in the Association are attached.

Section 3.4 Notice of Meetings. Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the Secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

Section 3.5 Action Taken Without Meeting. Notwithstanding any provision to the contrary, any action required or permitted to be taken at any meeting of Members may be taken without a meeting, prior notice or a vote, if a consent in writing, setting forth the action so taken is signed by all of the Members.

Section 3.6 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty percent (30%) of the votes (based upon Proportionate Interest) in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 3.7 Proxies.

(a) If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast all the votes allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

(b) Votes allocated to a Lot may be cast pursuant to a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

Section 3.8 Majority of Members. As used in these Bylaws, the term "majority of Members" shall mean Owners of Lots to which at least fifty-one percent (51%) of the votes (based upon Proportionate Interest) are attached, based upon those Members present at a meeting containing a quorum. An affirmative vote of a majority of the Members present, in person or by proxy, shall be required to transact the business of the meeting and shall be valid and binding upon all Members.

Section 3.9 Order of Business. The order of business at all meetings of the Members shall be as determined by the Board.

## ARTICLE IV

### BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 4.1 Number. The property, business and affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall be composed of three (3) Directors, who shall be appointed by the Declarant. During the Period of Declarant Control, the three (3) Directors shall be elected and serve as provided in Section 3.2 of the Declaration. At each annual meeting after the Period of Declarant Control, the number of Directors and their terms of

office may be increased or decreased by an affirmative vote of a majority of Members at any annual meeting, but such changes shall not be effective until the next annual meeting.

Section 4.2 Term of Office. At the first annual meeting after the Period of Declarant Control, the Members shall elect at least one-half (1/2) of the Directors for one-year terms, and the remainder of the Directors for two-year terms, and at each annual meeting thereafter, the Members shall elect the same number of Directors as there are Directors whose terms are then expiring, for terms of two years, subject to any increase in that number as provided in Section 4.1 above.

Section 4.3 Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by such officer. In the event of death or resignation of a Director, his successor shall be selected by a majority of the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 4.4 Removal. Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Members, by a sixty-seven percent (67%) vote (based upon Proportionate Interest) of all Members present and entitled to vote at any meeting of the Members at which a quorum is present, may remove any Director with or without cause, other than a Director appointed by the Declarant. In the event of removal of a Director, his successor shall be elected by a majority of the Directors present at such meeting and shall serve for the unexpired term of his predecessor.

Section 4.5 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.6 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. After the termination of the Period of Declarant Control, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine but not less than the number of vacancies that are to be filled.

Section 5.2 Election. After the termination of the Period of Declarant Control, election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes (based upon Proportionate Interest) shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held with such frequency and at such times and places as shall be determined by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph, at least seven (7) days prior to the day named for such meeting.

Section 6.2 Organizational Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Members shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 6.3 Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two or more Directors, upon three days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, the place and the purpose of the meeting.

Section 6.4 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 6.5 Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board, there is less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations and to establish penalties for the infraction thereof. A rule or regulation shall not be in conflict with the Declaration or these Bylaws. A copy of such rules and regulations may be delivered by hand to each Lot and mailed to each Member upon the adoption thereof or may be recorded in the real property records of El Paso County;

(b) suspend any Member's right to vote and the right to receive Association services and privileges and to use of any Association facilities during any period in which such Member shall be in default under the Declaration, including, without limitation, the non-payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for each infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Board or the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, and as are necessary for the administration of the affairs of the Association and for the operation and maintenance of the Project;

(d) incur such costs and expenses as may be necessary to perform the Association's duties under the Declaration and to keep in good order, condition and repair all of the Common Area and facilities and all items of common personal property;

(e) declare the office of a Director of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(f) employ a property manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties; provided, however, the Board when so delegating shall not be relieved of its responsibilities under the Declaration and provided further, that any such delegation shall comply with C.R.S. 38-33.3-306(3).

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fifth (1/5) of the Members who are entitled to vote (based upon Proportionate Interest);

(b) provide such supervision of all officers, agents and employees of this Association as the Board deems reasonably necessary and appropriate;

(c) as more fully provided in the Declaration to fix the amount of the assessments and charges against each Lot and to collect such assessments and charges by the rights and remedies set forth in the Declaration or as provided by law or statute.

(d) issue, or to cause an appropriate officer to issue, a certificate as provided in the Declaration setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates.

(e) procure and maintain adequate liability and hazard insurance on the property owned by the Association, insure and keep insured all of the insurable Common Area facilities in an amount equal to the maximum replacement value for the benefit of all Lot Owners and their First Mortgagees and procure and maintain all other insurance permitted or required by the Declaration;

(f) cause all officers or employees having fiscal responsibilities to furnish adequate fidelity insurance or bonds as required by the Declaration. The premiums on such insurance or bonds shall be a common expense as may be deemed appropriate by the Board;

(g) fulfill all obligations of the Board under the Declaration and cause the Common Area and Maintenance Area to be maintained and to make repairs, additions, alterations and improvements in the manner consistent with the Declaration;

(h) establish a bank account or accounts in a governmentally insured depository for the common treasury and for all separate funds which are required or may be deemed advisable and to keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Lot Owners, and to cause an annual accounting for association funds and a financial statement to be prepared and presented to the Association by the Managing Agent, a public accountant, or a certified public accountant. All persons or Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other persons or Managing Agent and shall maintain all reserve accounts of each association so managed separate from operational accounts of such Association.

(i) meet as often as the Board deems reasonable and appropriate.

Section 7.3 No Waiver of Rights. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the Articles of Incorporation, the Bylaws or rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors, the Association or any Member shall have the right to enforce the same thereafter.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, both of whom shall at all times be members of the Board of Directors, and a Secretary and a Treasurer, and such other officers as the Board of Directors shall, from time to time, elect. The office of Treasurer and Secretary may be held by the same person. The offices of Secretary and Treasurer need not be held by Members of the Board of Directors.

Section 8.2 Election of Officers. The initial officers shall serve until the Period of Declarant Control terminates; thereafter, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein; the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.7 Duties. The duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign on behalf of the Association all leases, mortgages, deed and other written instruments and shall co-sign all checks, unless performed by the Managing Agent, and promissory notes. Further, he shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from among the owners from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings.

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of any meetings of the Board and of the Members;

keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Except to the extent performed by any Managing Agent, the Treasurer shall receive and deposit in appropriate governmentally insured accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual accounting to be made as set forth in Section 7.2 above; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent not less often than once each calendar quarter.

(e) The President and the Secretary may prepare, execute, certify and record amendments to the Declaration, Articles of Incorporation and Bylaws on behalf of the Association following their adoption as provided therein.

## ARTICLE IX

### OFFICERS AND DIRECTORS AS AGENTS OF ASSOCIATION

Contracts or other commitments made by the Board of Directors or officers shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment. The Directors and officers shall have all exemptions and rights provided by law and statute, and the Association shall indemnify them from any and all liabilities and expenses, which are related to their official rights and duties, to the fullest extent provided by law and statute, except and excluding any sums covered or paid by insurance.

## ARTICLE X

### COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate in carrying out its purpose, including, without limitation, an architectural control committee, which may be the Board itself.

## ARTICLE XI

### BOOKS AND RECORDS

The Association shall make available to Owners and Mortgagees, current copies of the Declaration, Bylaws, other rules concerning the Project, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. If the Project contains fifty (50) or more Lots, the Association shall provide an audited, annual financial statement to any First Mortgagee making a written request for it and without expense to such First Mortgagee. If the Project contains less than fifty (50) Lots, the holders of fifty-one percent (51%) or more of First Mortgagees shall be entitled to have an audited financial statement prepared at their expense if one is not otherwise available; said financial statement shall be furnished within a reasonable time following such request.

## ARTICLE XII

### ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property

against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid when due, the Association may impose an administrative fee not to exceed a sum set forth in the rules and regulations. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or may foreclose the lien against the property, and/or exercise any other rights or remedies, and in the event of any delinquency the Association shall be entitled to collect interest on the assessment as above provided, and a reasonable attorney's fee, together with the expenses and costs of collection.

#### ARTICLE XIII

#### CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Campus Commons Homeowners Association.

#### ARTICLE XIV

#### AMENDMENTS

Section 14.1 The Association's Articles of Incorporation or these Bylaws, or both, may be amended, at a regular or special meeting of the Members, with a quorum present, by a vote of Owners of Lots to which at least sixty-seven percent (67%) of the votes (based upon Proportionate Interest) in the Association are attached, present in person or by proxy, except that any amendments shall require the prior written approval of the Federal Housing Administration or the Department of Veterans Affairs so long as there is the Period of Declarant Control. The Declarant reserves the right, until the Period of Declarant Control is terminated, subject to the written approval of the Department of Veterans Affairs, but without the vote of the Owners, to make amendments to the Association's Articles of Incorporation or these Bylaws, or both, as may be approved in writing by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration or Department of Veterans Affairs so as to induce any of such organizations to make, purchase, sell, issue, or guarantee First Mortgages in the Project, or as may be necessary to correct typographical errors or make clarifications.


Section 14.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

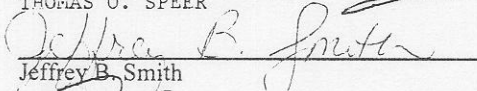
#### ARTICLE XV

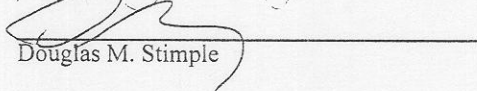
#### MISCELLANEOUS

Unless the Board otherwise determines, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**IN WITNESS WHEREOF**, we, being all of the Directors of Campus Commons Homeowners Association, have hereunto set our hands as of March 26, 1996.

  
THOMAS O. SPEER

  
Jeffrey B. Smith

  
Douglas M. Stimple

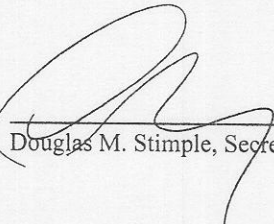
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Campus Commons Homeowners Association, a Colorado non-profit corporation, and,

That the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on March 26, 1996.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association ~~this~~ effective MARCH 26, 1996.

  
\_\_\_\_\_  
Douglas M. Stimple, Secretary

## Responsible Governance Policy

Campus Commons HOA will maintain accounting records using generally accepted accounting principles and has adopted the policy to utilize the services of an independent CPA for an annual audit or review.

### I COLLECTION POLICY

Payments are due on the first (1<sup>st</sup>) of each month and delinquent if not received by the Association or its designated payee by the 10th of the month. All Payments not received by the 10th will be charge a late fee. If not paid by the thirtieth (30<sup>th</sup>) of the month an 18% per annum interest charge will be levied until payment is made in full.

Homeowners should allow ample time for mailing and receipt of payments.

All payments shall be applied to outstanding balances in the following order of priority:

(a) Interest (b) Late Charges (c) Legal Fees and Cost, Fines and (d) Assessments


There shall be a \$10.00 handling charge plus bank's charge for all returned checks.

#### THE FOLLOWING SHALL APPLY TO ALL PAST DUE MEMBERS:

1. 1<sup>st</sup> delinquency notice shall be sent following the first missed payment date
2. 2<sup>nd</sup> delinquency notice shall be sent after 2 months missed payments
3. Demand Letter shall be sent by mail 3<sup>rd</sup> month missed payments. The fee for this is \$25.00
4. If payment is not received within 30 days of demand letter or the account is \$250 past due the Association's attorney will place a lien against the owner's property
5. At one-hundred twenty days (120) or when the past due amount reaches \$1,000.00, the Association may choose to either Foreclose the Lien, file for a receivership or file a complaint for personal judgment for all assessments, cost, interest and legal fees
6. Prior to release of any Lien all assessments, late charges interest and cost must be paid in full to the association by certified check or money order
7. Voting rights and rights to use any facility within the common area may be denied until all monies owing are paid in full

Costs are estimates and may in fact be greater than those stated and are subject to change without notice.

Adopted this date: 1-1-06

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

## II CONFLICT OF INTEREST POLICY

- (1) If any contract, decision, or other action taken by or on behalf of the executive board would financially benefit any member of the executive board or any person who is a parent, grandparent, spouse, child, or sibling of a member of the executive board or a parent or spouse of any of those persons, that member of the executive board shall declare a conflict of interest for that issue. Any relative, personal or business associate creating a "Related Party" transaction must be disclosed. The member shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on the issue.

## III CONDUCT OF MEETINGS

The Board of Directors Meetings will be held at a time and location that is convenient for the members of the Board of Directors. A notice of the meeting may be posted in a visible location or on a website, if applicable, prior to the meeting for all owners to be aware of the date and time. The Board of Directors meetings will be held for a time period of no more than two (2) hours. All meetings will be conducted with an agenda. A brief open forum will be held so the owners wishing to address the Board may do so. If an item of discussion requires a vote, the Board will discuss the issue first and then may vote to allow the owners present an opportunity to speak on the issue at hand. The Board of Directors will then take the vote as appropriate.

The only times the Board of Directors will go into Executive Session are the legal Allowance per the statute.

All meetings shall be conducted according to Roberts Rules of Order. Owner open forum shall be before the meeting, owners who wish to speak shall have 2 minutes per topic to address the board.

## IV ENFORCEMENT OF VIOLATION

In order to benefit all homeowners, protect property values, and provide for the enforcement of Declaration of Covenants, Conditions and Restrictions affecting our Association, the Board of Directors of Campus Commons HOA Inc.

Hereby adopts a fine policy to be effective November 22, 2005. This fine policy is as follows:

- **1<sup>st</sup> Notice of Violation-Courtesy Notice**

Homeowner will receive a Courtesy Notice by regular mail, notifying the homeowner that the resident is in violation of the Covenants, Rules and Regulations or other governing documents of the association.

- **2<sup>nd</sup> Notice of Violation**

If the homeowner has not complied by ceasing and correcting the violation within 15 days of mailing of the first notice of violation, homeowner will be sent a notice by regular mail, certified mail or personal delivery, again giving the nature of the violation. The notice will inform the homeowner that they must, within 15 days of mailing of the second notice, cease committing the violation and must take corrective action to remedy the violation, if such corrective action is appropriate. If the violation involves a failure to submit plans for approval by the Architectural Control Committee as required by Article VI of the Declaration of Covenants, within said time the homeowners shall cease further violation and shall submit the required plans.

- **3<sup>rd</sup> Notice of Violation-sent 10 days after 2<sup>nd</sup> Notice of Violation**

If the homeowner has failed to cease the violation, take corrective action or submit plans within 10 days of the second notice, a Notice of Hearing will be sent regular mail, certified mail or personal delivery to the homeowner with requirements of the previous notices and notifying the homeowner of a time and place when and where the Board of Directors will consider the violation and the imposition of fines against the homeowner and the homeowner's right to be present and to present the homeowner's position related to the Violation and imposition of a fine. The homeowner's failure to appear at such time and place shall not affect the Association's right to proceed and impose a fine. Fines imposed by the Board of Directors shall be no less than \$ 25 per week, may be up to \$50 per week, depending on the severity of the violation, and may be imposed on a recurring basis without further notice until the homeowner ceases the violation. (By way of example only, imposing a fine on a recurring basis could involve a \$100 dollar fine imposed every week until the violation is corrected.)

By adopting the above policy, The Association may take whatever action it deems necessary, including ADR liens on the property, or lawsuit to reach compliance. The homeowner may be responsible for any attorney's fees and court costs.

## V INSPECTION AND COPYING

- a. Owners may inspect records in the management office according to 38-33.3-317 of the law.
- b. Owners may copy association records at the actual cost charged to the association per page for copies.

## VI INVESTMENT OF RESERVE FUNDS

The purpose of this policy is threefold. (1) To protect the principal (amount of original investment) from as much risk as possible. (2) To provide maximum liquidity, taking into consideration on the ease and costs associated with converting an investment into cash or cash equivalent. (3) To realize a maximum yield, considering the current economic climate, interest rates, the amount of return and the safety of the investment.

**RESOLVED:** Due to the fiduciary responsibilities placed on the Board of Directors by the Association's governing documents, the Campus Commons HOA Board of Directors hereby adopts the following investment guidelines:

**INVESTMENTS:** All monies in the Replacement Reserve account are to be invested only in instruments guaranteed, insured or backed by the Government of the United States, or similar investment instruments deemed appropriate, and invested with a financial broker/agency with an office in El Paso County, Colorado. For example, these investments would be instruments protected by agencies such as FDIC and SIPC.

**FUNDS:** Funds should be invested to achieve the maximum return, corresponding with the Association's Reserve Replacement Report.

**CONTACT:** The Treasurer shall be contacted prior to any investment decision to verify that the product falls within the investment and maturity guidelines, and to determine any current or future liquidity for anticipated expenses. The Treasurer will notify the Board members of all transactions.

## **VII PROCEDURE**

The Board of Directors will establish or review existing rules, procedures and policies on an annual basis and publish new or revised rules 30 days prior to adoption, subject to the governing documents and state statutes.

### **Section 1 POLICY**

Board or ACC may consider a plan based on design, maintenance responsibility.

#### **Alternative Dispute Resolution Policy**

The Association law requires that before a common interest development, homeowners Association or an individual homeowner files a lawsuit against the other, solely for declaratory relief of injunctive relief in connection with a claim for money, under \$5,000 (other than association assessments) or for enforcing the association's governing documents, the filing party "shall endeavor" to submit the dispute to alternative dispute resolution. Forms of ADR include mediation, negotiation and arbitration and may be binding or non-binding.

The ADR process is initiated by one party serving a "Request for Resolution" form upon the other party to the dispute. The form must include (1) a brief description of the dispute, (2) the request for ADR, (3) a notice that a response must be received within thirty (30) days or it will be deemed rejected. Service of the Request for Resolution should be by personal service or first class mail.

If the individual receiving the request form agrees to ADR, the ADR process must be completed within ninety (90) days unless otherwise extended by the agreement. The cost of the ADR process is to be paid by the participating parties.

- Section 1 The Campus Commons HOA shall comply with Section 1 37-60-126. The reasonable and practical opportunity is defined as 60 days from the day the restriction is lifted by the city or county.
- Section 2 The Campus Commons HOA shall comply with Section 2 38-33.3- 106.5 of the Act.
- (a) The pre-approved location shall be for the placement of one American flag, size 3'x 5' on an owner's property, an intent to install form shall be submitted for approval by the board or ACC committee.
  - (b) No political signs shall be placed in the common areas.
  - (c) Owners who are required to keep their emergency vehicle at their home shall submit proof of employment requirement to the board.
- Section 7 The Campus Commons HOA shall comply with Section 7 38-33.3-209.7 Owner education as follows: owner education shall be provided by the Management Company for (length of time) minutes prior to each annual meeting and with a "Welcome Home" CD, DVD or Video in the new owner welcome packet.
- Section 10 The Campus Commons HOA shall comply with Section 10 38-33.3-223 Sale of units. Sellers may obtain copies of the governing documents, approved minutes, budget, income and expense statement and balance sheet from several sources through the management company for a fee with notice as required by the Act.
- Section 12 The Campus Commons HOA shall comply with Section 10 33-33.3-302 Powers: The persons acting on behalf of the Association will consider formal, written improvement applications on a standard form with appropriate attachments. The deadline for response shall be according to the governing documents or 10 days after receipt of the application.
- Section 14 Campus Commons HOA to comply with meeting notice requirement will (post notice on bulletin boards, post on Association web-site, publish in association newsletter, or provide meeting information to owners if they call the management office).
- 2.5 (a) and (b) compliance is described under the Responsible Governance Policy

Section 15 (b) (I) The President of the Board shall appoint two volunteer unit owners who are not candidates and a representative of the management company.

(2) (a) Only the proxy provided by the association shall be considered a valid proxy unless a legal power of attorney has been provided.

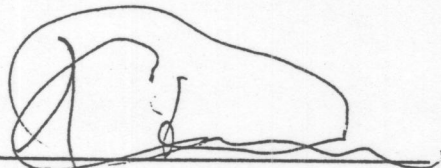
Section 16 Conflict of interest is covered in Responsible Governance Policy.

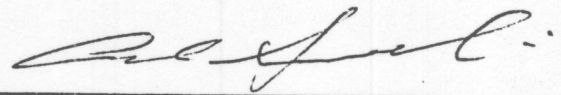
Section 18 (2) and (3) The actual cost for copies provided by the management company shall be .20 cents per page plus the hourly rate of the staff member making the copies, reduced to 15 minutes increments.

Section 19 (5) Compliance shall be met through a resource manual at the management Office containing records(b) through (e) plus 6 months approved minutes.

Section 20 The procedure to file insurance claims are as follows:  
Owners may file a claim by calling the local insurance agency or management company, and also contact their personal insurance carrier for potential deductible or personal property damage.

Date Adopted 1-31-06

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

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ARDIS W. SCHMITT  
EL PASO COUNTY CLERK & RECORDER

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DESIGNATION OF AND ASSIGNMENT TO SUCCESSOR DECLARANT  
CAMPUS COMMONS PATIO HOMES

For \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Campus Commons Partnership, a general partnership, hereby: (a) designates Hariton Homes Corporation, 2465 Damon Drive, Colorado Springs, Colorado, as the Successor Declarant pursuant to Colorado Revised Statutes §38-33.3-304 and pursuant to the Declaration of Covenants, Conditions and Restrictions for Campus Commons Patio Home Association, as recorded on August 24, 1993, at Exception No. 002342010, and as amended and supplemented of record, in the real property records for the County of El Paso, State of Colorado; and (b) has bargained and sold, and by these presents does sell, assign, grant, transfer and convey to Hariton Homes Corporation, all of Campus Commons Partnership's right, title and interest as Declarant, or otherwise thereunder, all Special Declarant Rights, all Developer Rights and all rights reserved to the Declarant by the Declaration and under Colorado Revised Statutes §38-33.3-101 et seq.

Dated this 22 day of December 1994

CAMPUS COMMONS PARTNERSHIP,  
Transferor

By [Signature]  
Dennis Davis Vice President  
Print Name and Title

HARITON HOMES CORPORATION,  
Transferee

By [Signature]  
Dennis Davis Vice President  
Print Name and Title

Attest [Signature]  
Joanne Alvestis  
Assistant Secretary

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF TULARE )

On December 22, 1994, before me, CYNTHIA MARIE ESLICK, a Notary Public, personally appeared DENNIS J. DAVIS, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]  
Cynthia Marie Eslick  
Notary Public



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ARDIS W. SCHMITT  
EL PASO COUNTY CLERK & RECORDER

**CORRECTION TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR  
CAMPUS COMMONS PATIO HOME ASSOCIATION**

10.1

WHEREAS, the *Declaration of Covenants, Conditions, and Restrictions for "Campus Commons Patio Home Association"* (hereinafter referred to as "*Declarations*") were recorded on August 24, 1993 in Book 6243, Page 199, of the records of the Clerk & Recorder of El Paso County, Colorado; and

WHEREAS, Page 6 of the *Declarations* was inadvertently omitted from the filing of said *Declarations* recorded August 24, 1993, in Book 6243, Page 199, of the records of the Clerk & Recorder of El Paso County, Colorado. Page 6 of the *Declarations* is attached hereto and incorporated in the *Declaration of Covenants, Conditions, and Restrictions* recorded at Book 6243, Page 199, of the records of the Clerk & Recorder of El Paso County, Colorado.

IN WITNESS WHEREOF, the Declarant has caused this *Correction to Declaration of Covenants, Conditions, and Restrictions* to be executed by DENNIS DAVIS, Chief Financial Office of HARTON HOMES CORPORATION, Successor-in-Interest to CAMPUS COMMONS PARTNERSHIP, Declarant, which is a Colorado partnership, this 4<sup>th</sup> day of APRIL, 1995.

HARTON HOMES CORPORATION, Successor-  
in-Interest to CAMPUS COMMONS  
PARTNERSHIP

  
DENNIS DAVIS, Chief Financial Officer,  
HARTON HOMES CORPORATION

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ARDIS W. SCHMITT  
EL PASO COUNTY CLERK & RECORDER

DECLARATION OF COVENANTS AND EASEMENTS  
RED DEER CONDOMINIUMS AND CAMPUS COMMONS

90

THIS DECLARATION OF COVENANTS AND EASEMENTS (hereinafter called the "Declaration"), dated for identification purposes only this 5<sup>th</sup> day of NOVEMBER, 1993, is made by CONSTANTINE J. RAPTIS and HARRY J. PAPPAS, (hereinafter called "Campus Commons," CAMPUS COMMONS PATIO HOME ASSOCIATION, INC, a Colorado non-profit corporation (hereinafter called "Patio Home") and RED DEER CONDOMINIUM ASSOCIATION, INC., a Colorado non-profit corporation, (hereinafter called the "Association").

RECITALS:

A. Campus Commons is the owner of certain real property commonly known as the Campus Commons Project legally described on Exhibit A, attached hereto and incorporated herein by this reference (hereinafter called the "Campus Commons Property").

B. The Association is the manager of certain real property commonly known as the Red Deer Condominiums which is legally described on Exhibit B, attached hereto and incorporated herein by this reference (hereinafter called the "Association Property").

C. The Association Property is subject to condominium ownership by virtue of that certain Declaration of Covenants, Conditions and Restrictions for Red Deer Condominiums filed for record in the records of the office of the Clerk and Recorder of El Paso County, Colorado on June 27, 1984, in Book 3887, beginning at Page 1299 (hereinafter called "Condominium Declaration").

D. Pursuant to Section 5.5 of the Condominium Declaration, the Association is irrevocably appointed attorney in fact for its owners to permit it to fulfill all of its rights and duties under the Declaration and to grant utility easements through any portion of the General Common Elements of Red Deer Condominiums.

E. Campus Commons, Patio Home, and the Association share a private street called Troy Court containing utilities; the portion of that street owned by Campus Commons is shown as Tract X and that portion managed by the Association, which is shown as Tract Y (hereinafter collectively called "Troy Court" and are shown on Exhibit C attached hereto and incorporated herein by this reference).

F. Patio Home is and will be the association for the homeowners in the Campus Commons Property pursuant to the Declaration of Covenants, Conditions and Restrictions for Campus Commons Patio Home Association recorded in Book 6243 beginning at Page 199 of the El Paso County real estate records (herewith called "Patio Declaration")

COVENANTS AND EASEMENTS

NOW, THEREFORE, Campus Commons, the Association and Patio Homes do hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land encompassing the Campus Commons Property and the Association Property and shall be a burden and a benefit to Campus Commons and the Association and their respective grantees, successors and

Property or the Association Property or both, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Easements Deemed Created Over, Across and Under Troy Court. Campus Commons and the Association hereby grant reciprocal easements as follows: Subject to the terms and provisions hereof, Campus Commons hereby grants and conveys to the Association and other Users described in Paragraph 2.a below, a perpetual non-exclusive easement across, over and under that portion of Troy Court described as Tract X of the Campus Commons Property for access, vehicular and pedestrian traffic, utilities and drainage. Subject to the terms and provisions hereof, the Association hereby grants and conveys to Campus Commons and other Users described in Paragraph 2.e below, a perpetual non-exclusive easement across, over and under that portion of Troy Court described as Tract Y of the Association Property for access, vehicular and pedestrian traffic, utilities and drainage. (Both of the foregoing are hereinafter called the "Easements".)

2. Use and Maintenance.

a. Use. The Easements shall be for the benefit of the owners of the Campus Commons Property and the owners of condominium units in Red Deer Condominiums, together with their successors, transferees and grantees, and all subsequent owners, heirs, personal representatives, successors, guests, invitees (business or social), employees, agents, tenants and contractors of the foregoing persons and parties (all of the foregoing are hereinafter collectively called the "Users"). The Easements shall be used for reciprocal, non-exclusive vehicular and pedestrian access, ingress and egress by Users, for utilities and drainage and for parking as follows: parking on the Association Property and Tract F described below may be assigned and regulated by the Association for the exclusive parking of the owners of condominium units in Red Deer Condominiums or the Users of such owners, but parking on the Campus Commons portion of Troy Court, exclusive of Tract F, shall be common among the guests of owners in Red Deer Condominiums and the guests of owners in Campus Commons. Usage of the Easements shall be subject to the parties' right to make, at any time, rules and regulations pursuant to the Association's Condominium Declaration and any covenants recorded by Campus Commons, including without limitation, regulations which remove, exclude, prohibit or restrain any User from use, occupancy or enjoyment of the Easements for failure to observe such rules and regulations, which require identification on vehicles, which may be reasonably required for health, welfare, safety or governmental requirements, or which allow the right to tow vehicles violating such rules and regulations and requiring owners of such vehicles to pay all expenses, including attorneys fees related thereto. By using the Easements, the Users release and indemnify the parties from all claims, losses or damages relating to such usage and indemnify the parties hereto from any loss or damage caused by the User's negligent or wrongful acts or omissions; the Users covenant and agree to pay or reimburse the parties hereto for such loss or damage, including without limitation any attorneys fees or expenses of litigation. Use of the Easements is not confined to present means of transportation or vehicular access, but may include future means of transportation or vehicular access. Each party hereto shall indemnify and hold harmless the other party hereto for acts or omissions of that party, subject to the insurance provisions of Paragraph 8 hereof.

b. Installation of Utilities. Either party shall have the right to grant easements or licenses to any utility company to use the Easements for the purpose of providing underground utility services to the their respective properties. No utility shall be placed above ground. The right to use the Easements for underground utilities is and shall be subordinate and inferior to the right of use thereof for vehicle access and parking and to the

duty to restore the surface to its condition prior to installation. Each grant of an easement or license to a utility company shall be void and of no force and effect unless and until the responsibility for the proper installation and maintenance of such utilities and for all repairs and maintenance, and the easement or license shall be accepted by the utility company, as evidenced by a written instrument, duly recorded.

c. Special Uses. Under no circumstances shall access be denied to or from the parties' properties over and across the Easements for emergency vehicles (police, fire, ambulance), school buses, road maintenance equipment and governmental officials while on official business.

d. Construction Use. Use of the Easements shall include the right to enter upon the Easements for the purpose of maintaining, operating, repairing and replacing the roadways, parking, utilities and related improvements, provided however the Easements shall be substantially restored to their condition prior to such construction.

e. Maintenance. Each party hereto shall repair, replace and maintain in good, clean, attractive condition, at its expense, the paving, the utilities, and related improvements in the Easements located upon that party's respective property, except that Tract F described below shall be the Association's responsibility after conveyance to it. Each party hereto shall be responsible for snow removal upon that party's respective property. All paving shall be maintained and replaced in a manner suitable for normal vehicular traffic, including delivery trucks of ordinary size; all utilities shall be maintained and replaced in a manner suitable for customary and ordinary usage. Campus Commons shall install, at its expense, a water shut-off valve at the northern boundary to Tract F and shall repair and repave any damage to Tract F after attachment to the utility lines located therein. If the parties cannot agree upon the necessity or standards of any repair, maintenance or replacement of the Easements, the dispute shall be submitted to the American Arbitration Association office in Denver, Colorado for the appointment of an arbiter who will proceed in accordance with the rules of that body to issue a final decision which shall be binding upon the parties hereto and their respective Users and enforceable in the District Court of El Paso County; the cost of such arbitration shall be borne jointly by the parties thereto.

3. Subsequent Owners. The Easements granted herein shall be appurtenant to the Campus Commons Property and to the Association Property and the lands of the present owners and any future owners of any portion thereof and shall pass automatically without further reference in any deed, encumbrance, or other instrument affecting an owner's title, but may not be transferred, encumbered, assigned or conveyed apart or separately from such lands of such owners.

4. Running of Benefits and Burdens. All provisions of this Declaration, including all benefits and burdens, shall run with the Campus Commons Property and with the Association Property and shall be binding upon and shall inure to the benefit of the parties hereto and any person or party having any interest therein and their heirs, assigns, successors and personal representatives, and shall also be binding on all Users as described above.

5. Construction. The rule of strict construction does not apply to this instrument. This Declaration shall be given a reasonable construction in light of the intention of the parties to confer usable rights of ingress and egress, utilities and parking.

6. Enforcement. This Declaration and the terms, conditions and provisions hereof may be enforced by the parties hereto and those persons or parties to be benefitted hereby as described in paragraph 4 above. If any legal, injunctive, or administrative

suits or proceedings are brought against any party (whether a party to this instrument or not) for the purpose of such enforcement, the party or parties who prevail in enforcing this Declaration shall recover from the non-prevailing party or parties all expenses associated therewith, including but not limited to reasonable attorney fees. If any party to this Declaration fails, after thirty (30) days prior written notice, to perform any obligation that party hereunder, the other party may perform such obligation and shall be entitled to reimbursement of all expenses, including without limitation, attorneys fees, immediately from the non-performing party. All rights and remedies hereunder shall be cumulative, not exclusive, and may be exercised concurrently or successively.

7. Reservation. The right to use the Easements for ingress or egress or other lawful purpose is expressly reserved by each party so long as it does not interfere with the customary and usual use by any other party or the Users and is subject to the provisions hereof.

8. Insurance. Each party shall obtain and maintain public liability insurance, in an amount customarily maintained for similar properties, covering all accidents and injuries upon that party's portion of the Easements and naming the other party as additional insured thereunder. The parties hereto mutually release each other from liability for any loss or damage covered by public liability insurance and grant to the other, to the extent permitted by the insurance policy, a waiver of any right of subrogation which any insurer might acquire against the other party.

9. Obstructions. Neither party nor any User shall obstruct, impair or interfere with any other party or other User in the reasonable use of the Easements as granted or reserved hereunder.

10. General. This Declaration contains the final and entire agreement between the parties hereto regarding the subject matter hereof and they shall not be bound by any statements, representations or discussions not contained herein. Any subsequent amendments or termination of this Declaration shall be valid only if executed in writing by the parties hereto, or by the Association and the Patio Home after Campus Commons no longer owns any portion of the Campus Commons Property. As used herein, the singular shall include the plural, the plural the singular, the use of one general shall be applicable to all genders. The provisions of this Declaration shall be deemed to be cumulative and exercise of any rights shall not exclude or waive other rights. No provision of this Declaration shall be deemed to be in limitation or exclusion of any right or remedy at law, but rather an addition thereto. The captions of this Declaration are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part hereof.

11. Time of the Essence. Time is of the essence to this Declaration.

12. No Dedication. Nothing contained in this Declaration will be deemed to constitute a gift, grant or dedication of any portion of Easements to the general public or for any public purpose whatsoever; it is the intention of the parties that the Easements will be strictly limited to the private use of the parties and any members of the Association and members of Patio Home, and any Users authorized by them and is not intended to constitute to benefit any other person or parties.

13. Condemnation. In the event that the whole, or any part, of an Easement is taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, the parties hereto, or their successors, will equitably share in any award,

compensation or other payment made by reason of the taking of a portion of any Easement.

14. No Termination. No breach of this Declaration will entitle the parties hereto cancel, rescind or otherwise terminate the Easement or any rights granted herein. The foregoing limitation will not affect, in any manner, any other right or remedy which may be available hereunder by reason of any breach of this Declaration.

15. Conveyance of Tract F. Campus Commons shall convey Tract F as shown on Exhibit D attached hereto and incorporated herein by this reference, to the Association by a good and sufficient quitclaim deed, conveying merchantable title free and clear of all liens, encumbrances, covenants, easements or other rights, except for taxes for current year which shall be prorated through conveyance, and for this Declaration and matters shown on the title insurance policy described below. Campus Commons and Patio Home shall execute and record an amendment to the Patio Declaration excluding Tract F therefrom and subordinating the Patio Declaration to this Declaration. The document recorded on August 24, 1993 in Book 6243 at Pages 195-198 of the real property records of El Paso County, Colorado shall merge herein and be superseded and terminated hereby. Conveyance shall occur no later than thirty days from the Association's execution of this Declaration, and following closing, Campus Commons shall provide the Association with a title insurance policy in the amount of \$10,000 insuring title is as stated above; Campus Commons and the Association shall share equally the cost of such title policy. Campus Commons may, now or after conveyance, excavate Tract F for utilities, but shall repave, repair and restore Tract F to a condition acceptable to the Association and the City of Colorado Springs. Following conveyance, Tract F may be used, subject to the reciprocal Easements of this Declaration, by the Association, its owners and designates for a roadway, utilities and their exclusive parking, but the Association shall be responsible for maintenance thereof under Paragraph 2.e hereof.

16. Fence. Campus Commons will construct, at its expense, within one year from the date hereof, the fence described on Exhibit E attached hereto and incorporated herein by this reference, to be located on the southern curve of Troy Court on the Association's Property and after construction the fence shall be maintained, repaired, restored and replaced by Campus Commons and its successors, including, without limitation, Patio Home and its owner members, subject to the Association's prior written consent, which will not be unreasonably withheld.

IN WITNESS WHEREOF, the parties hereto have executed this Easement as of the day and year set forth below.

CAMPUS COMMONS

By: Constantine J. Raptis

By: Harry Pappas

*[Handwritten signatures and initials]*  
POWER OF ATT.  
ATTY.

*[Handwritten signature]*  
SECRETARY





EXHIBIT A COPY

PLAT  
6306  
1300  
PAGE

A TRACT OF LAND BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 28,  
TOWNSHIP 13 SOUTH, RANGE 62 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF  
COLORADO SPRINGS, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE  
PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE RECORDED PLAT OF UNION BLUFFS PLING NO. 1  
AS RECORDED IN PLAT BOOK 8-3 AT PAGE 44 OF THE  
RECORDS OF EL PASO COUNTY, COLORADO.

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF PALM  
DRIVE AS PLATTED IN UNION BLUFFS PLING NO. 1 AS RECORDED IN PLAT BOOK 8-3 AT  
PAGE 44 OF THE RECORDS OF EL PASO COUNTY, COLORADO, WITH THE SOUTHEASTERLY  
LINE OF HAZEL LANE (NOW DAMON DRIVE) AS PLATTED IN UNION BLUFFS PLING NO. 3 AS  
RECORDED IN PLAT BOOK T-3 AT PAGE 121 OF THE RECORDS OF EL PASO COUNTY,  
COLORADO, SAID POINT BEING THE POINT OF BEGINNING.

THE FOLLOWING SEVEN (7) COURSES ARE ALONG THE SOUTHEASTERLY AND SOUTHERLY  
LINES OF SAID DAMON DRIVE AS PLATTED IN SAID UNION BLUFFS PLING NO. 3 AND IN  
UNION BLUFFS PLING NO. 5 AS RECORDED IN PLAT BOOK V-3 AT PAGE 84 OF THE  
RECORDS OF EL PASO COUNTY, COLORADO:

1. N86°40'00"E A DISTANCE OF 278.27 FEET TO A POINT OF CURVE.
2. ALONG A CURVE TO THE RIGHT, HAVING A DELTA OF 27°00'00", A RADIUS OF 188.00  
FEET, A DISTANCE OF 86.87 FEET AS MEASURED ALONG THE ARC TO A POINT OF  
REVERSE CURVE.
3. ALONG A CURVE TO THE LEFT, HAVING A DELTA OF 18°16'00", A RADIUS OF 1273.30  
FEET, A DISTANCE OF 405.85 FEET AS MEASURED ALONG THE ARC TO A POINT OF  
REVERSE CURVE.
4. ALONG A CURVE TO THE RIGHT, HAVING A DELTA OF 88°00'00", A RADIUS OF 147.71  
FEET, A DISTANCE OF 198.04 FEET TO A POINT OF TANGENT.
5. S58°30'00"E A DISTANCE OF 208.88 FEET TO A POINT OF CURVE.
6. ALONG A CURVE TO THE LEFT, HAVING A DELTA OF 63°05'00", A RADIUS OF 400.00  
FEET, A DISTANCE OF 21.53 FEET TO A POINT OF TANGENT.
7. S59°35'00"E A DISTANCE OF 32.04 FEET TO THE WESTERLY LINE OF UNION  
BOULEVARD.

THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF UNION BOULEVARD THE  
FOLLOWING FOUR (4) COURSES:

1. S30°25'00"W A DISTANCE OF 82.38 FEET.
2. ALONG A CURVE TO THE LEFT, HAVING A DELTA OF 13°11'48", A RADIUS OF 1098.93  
FEET, A DISTANCE OF 244.13 FEET AS MEASURED ALONG THE ARC TO THE MOST  
EASTERLY CORNER OF A REPLAT OF UNION BLUFFS PLING NO. 2 AS RECORDED  
IN PLAT BOOK V-3 AT PAGE 78 OF THE RECORDS OF EL PASO COUNTY, COLORADO;
3. N84°58'54"W ON THE NORTHEASTERLY LINE OF SAID REPLAT OF UNION BLUFFS  
PLING NO. 2 AND ON THE WESTERLY LINE OF UNION BOULEVARD, A DISTANCE OF  
15.08 FEET.
4. ALONG A CURVE TO THE LEFT, WHOSE CENTER BEARS S72°41'38"E, HAVING A  
DELTA OF 16°17'32", A RADIUS OF 1074.93 FEET, A DISTANCE OF 306.78 FEET AS  
MEASURED ALONG THE ARC TO THE NORTHEASTERLY CORNER OF UNION BLUFFS  
CONDOMINIUMS, PHASE 2, AS RECORDED IN CONDOMINIUM PLAT BOOK 4 AT PAGE  
2 OF THE RECORDS OF EL PASO COUNTY, COLORADO.

THE FOLLOWING FIVE (5) COURSES ARE ALONG THE NORTHERLY BOUNDARY LINE OF SAID  
UNION BLUFFS CONDOMINIUMS, PHASE 2:

1. N89°28'11"W A DISTANCE OF 118.04 FEET;
2. S00°31'48"W A DISTANCE OF 86.01 FEET;
3. N89°28'11"W A DISTANCE OF 32.08 FEET;
4. N00°31'48"E A DISTANCE OF 82.82 FEET;
5. N89°28'11"W A DISTANCE OF 32.00 FEET TO THE EASTERLY LINE OF UNION BLUFFS  
CONDOMINIUMS, PHASE 2, AS RECORDED IN CONDOMINIUM PLAT BOOK 4 AT PAGE  
38 OF THE EL PASO COUNTY RECORDS.

THE FOLLOWING FOUR (4) COURSES ARE ALONG THE EASTERLY, NORTHERLY AND  
NORTHWESTERLY LINES OF SAID UNION BLUFFS CONDOMINIUMS, PHASE 2:

1. N89°31'48"E A DISTANCE OF 34.88 FEET TO A POINT OF CURVE;
2. ALONG A CURVE TO THE LEFT, HAVING A DELTA OF 27°00'00", A RADIUS OF 188.00  
FEET, A DISTANCE OF 86.87 FEET TO A POINT OF COMPOUND CURVE;
3. ALONG A CURVE TO THE LEFT, HAVING A DELTA OF 18°07'00", A RADIUS OF 86.00  
FEET, A DISTANCE OF 184.21 FEET TO A POINT OF TANGENT;
4. S36°40'00"W A DISTANCE OF 118.00 FEET TO THE NORTHEASTERLY LINE OF PALM  
DRIVE AS PLATTED IN SAID UNION BLUFFS PLING NO. 1;

THENCE N83°14'00"W ON SAID NORTHEASTERLY LINE OF SAID PALM DRIVE A DISTANCE  
OF 487.00 FEET TO THE POINT OF BEGINNING;

CONTAINING 488,338 SQUARE FEET OR 11.2888 ACRES.

LEGAL DESCRIPTION STATEMENT

I, G. LAWRENCE BARNETT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE  
OF COLORADO DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND EXHIBIT  
WERE PREPARED UNDER MY DIRECT RESPONSIBILITY, SUPERVISION, AND CHECKING, AND  
ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



EXHIBIT A

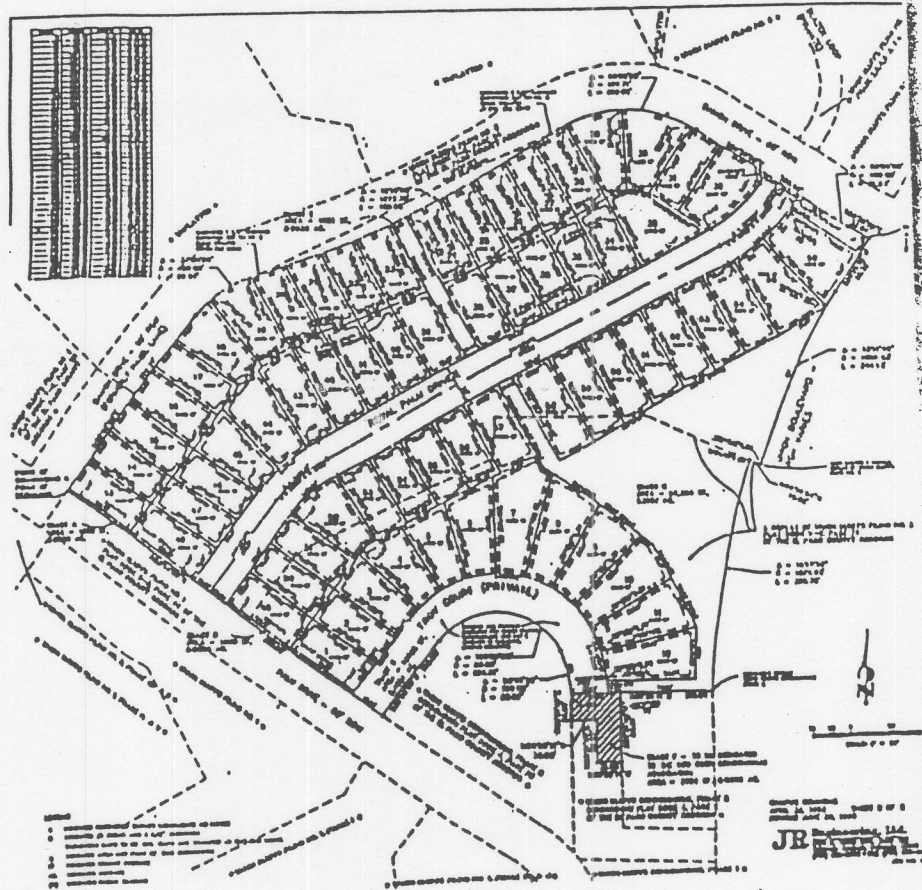


EXHIBIT B

BOOK PAGE  
6306 1302

LEGAL DESCRIPTION FOR :

RED DEER CONDOMINIUM ASSOCIATION PROPERTY

\* UNION BLUFFS CONDOMINIUMS, PHASE 1,  
CONDOMINIUM PLAT BOOK 4, PAGE 7, RECORDED JUNE  
13, 1984. PHASE 2, CONDOMINIUM PLAT BOOK 4, PAGE  
2, RECORDED JUNE 13, 1984. PHASE 8, CONDOMINIUM PLAT  
BOOK 4, PAGE 39, RECORDED APRIL 3, 1985.



719524782

SALE COMMERCIAL

P-723 T-102 P-002

OCT 28 '93 10:

OCT 28 '93 18:11 TO 719 533 5083

FROM JN BRIDGEMAN

T-238 P. 81

JR

Engineering, Ltd.

EXHIBIT C

TRACT Y

LEGAL DESCRIPTION

JOB NO. 8073.70 1022/93

PAGE 1 OF 2

RUX  
PAGE  
6306  
1304

**LEGAL DESCRIPTION:**

**INGRESS/EGRESS EASEMENT.**

A PART OF SECTION 28, TOWNSHIP 13 SOUTH, RANGE 88 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF COLORADO SPRINGS, COUNTY OF EL PASO, STATE OF COLORADO, BEING THE PORTIONS OF UNION BLUFFS CONDOMINIUMS, PHASE 1 AND UNION BLUFFS CONDOMINIUMS PHASE 2, RECORDED IN CONDOMINIUM PLAT BOOK 4 AT PAGES 1 AND 2, RESPECTIVELY, OF THE EL PASO COUNTY RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BASIS OF BEARINGS:** THE PLAT OF UNION BLUFFS FILING NO. 2 AS RECORDED IN PLAT BOOK V-3 AT PAGE 74 OF THE EL PASO COUNTY RECORDS.

COMMENCING AT THE WESTERLY CORNER COMMON TO SAID PHASE 1 AND PHASE 2, SAID POINT BEING THE POINT OF BEGINNING;

THENCE ALONG THE BOUNDARY LINE OF SAID PHASE 2, ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PALM DRIVE AND ALONG THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS  $S57^{\circ}05'03''W$ , HAVING A DELTA OF  $05^{\circ}01'38''$ , A RADIUS OF 210.00 FEET, A DISTANCE OF 11.10 FEET, MEASURED ALONG THE ARC; THENCE  $N54^{\circ}03'30''E$ , NON-TANGENT TO THE LAST DESCRIBED COURSE, A DISTANCE OF 5.12 FEET; THENCE  $N00^{\circ}31'49''E$ , A DISTANCE OF 179.87 FEET TO THE BOUNDARY LINE OF SAID PHASE 2; THE FOLLOWING THREE (3) COURSES ARE ALONG THE BOUNDARY LINE OF SAID PHASE 2:

1.  $S89^{\circ}25'11''E$ , A DISTANCE OF 12.00 FEET;
2.  $S00^{\circ}31'49''W$ , A DISTANCE OF 52.52 FEET;
3.  $S89^{\circ}25'11''E$ , A DISTANCE OF 12.00 FEET;

THENCE  $S00^{\circ}31'49''W$ , A DISTANCE OF 148.86 FEET; THENCE  $S37^{\circ}13'30''W$ , A DISTANCE OF 18.40 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF PALM DRIVE; THENCE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS  $S83^{\circ}55'24''W$ , HAVING A DELTA OF  $06^{\circ}31'16''$ , A RADIUS OF 210.00 FEET, A DISTANCE OF 25.12 FEET, MEASURED ALONG THE ARC TO THE POINT OF BEGINNING;

CONTAINING 4.263 SQUARE FEET (0.0978 ACRES).

**LEGAL DESCRIPTION STATEMENT:**

I, G. LAWRENCE BURNETT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY DIRECT RESPONSIBILITY, SUPERVISION, AND CHECKING, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.

719624763

BRNC COMMERCIAL

F-72 T-102 P-003

BOOK PAGE  
6306 1305

OCT 28 '93 10:

*G. Lawrence Burnett*

G. LAWRENCE BURNETT, PROFESSIONAL LAND SURVEYOR  
COLORADO P.L.S. NO. 10377  
FOR AND ON BEHALF OF JR ENGINEERING



10-22-93  
DATE

Post-It™ brand fax transmittal memo 7671 (1 of pages)

To	JOHN	From	KYLE
On		On	
Page		Page	
Fax #	635-1303	Fax #	

644 N. DIXON BLVD, STE. 304 • COLORADO SPRINGS, COLORADO 80916 • (719) 596-6286 • FAX (719) 596-6212



715624733

BANC COMERCIAL

P-725 T-102 P-005 OCT 28 '92 11

LINE BOX PAGE  
6306 1307

THIS DRAWING DOES NOT REPRESENT  
A MONUMENTED SURVEY AND IS ONLY  
INTENDED TO DEPICT THE ATTACHED  
LEGAL DESCRIPTION.

8415 N. UNION BLVD., STE. 302 • COLORADO SPRINGS, COLORADO 80918 • (719) 598-2888 • FAX (719) 598-6818

**JR** Engineering, Ltd. **TRACT F LEGAL DESCRIPTION**

JOB NO. 8675.70; 8/17/83  
PAGE 1 OF 2

**EXHIBIT D**

**LEGAL DESCRIPTION:** METES AND BOUNDS DESCRIPTION FOR FUTURE TRACT F, CAMPUS COMMONS.

A TRACT OF LAND BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 13 SOUTH, RANGE 68 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF COLORADO SPRINGS, COUNTY OF EL PASO, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BASIS OF BEARINGS:** THE RECORDED PLAT OF UNION BLUFFS FILING NO. 5 AS RECORDED IN PLAT BOOK V-3 AT PAGE 64 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

COMMENCING AT THE NORTHEASTERLY CORNER OF UNION BLUFFS CONDOMINIUMS, PHASE 2, AS RECORDED IN CONDOMINIUM PLAT BOOK 4 AT PAGE 2 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

THE FOLLOWING FIVE (5) COURSES ARE ALONG THE NORTHERLY BOUNDARY LINE OF SAID UNION BLUFFS CONDOMINIUMS, PHASE 2:

1. N89°28'11"W A DISTANCE OF 118.04 FEET TO THE POINT OF BEGINNING;
2. S00°31'49"W A DISTANCE OF 88.01 FEET;
3. N89°28'11"W A DISTANCE OF 32.00 FEET;
4. N00°31'49"E A DISTANCE OF 52.52 FEET;
5. N89°28'11"W A DISTANCE OF 32.00 FEET TO THE EASTERLY LINE OF UNION BLUFFS CONDOMINIUMS, PHASE 2, AS RECORDED IN CONDOMINIUM PLAT BOOK 4 AT PAGE 39 OF THE EL PASO COUNTY RECORDS;

THE FOLLOWING TWO (2) COURSES ARE ALONG THE EASTERLY LINE OF SAID UNION BLUFFS CONDOMINIUMS, PHASE 2:

1. N00°31'49"E A DISTANCE OF 24.88 FEET TO A POINT OF CURVE;
2. ALONG A CURVE TO THE LEFT, HAVING A DELTA OF 03°43'58", A RADIUS OF 166.05 FEET, A DISTANCE OF 10.82 FEET;

THENCE S89°28'11"E A DISTANCE OF 64.35 FEET TO THE POINT OF BEGINNING;

CONTAINING 3,954 SQUARE FEET OR 0.0906 ACRES, THE SAME TO BE PLATTED AS TRACT F, CAMPUS COMMONS, A SUBDIVISION TO BE RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF EL PASO COUNTY, COLORADO.

**LEGAL DESCRIPTION STATEMENT:**

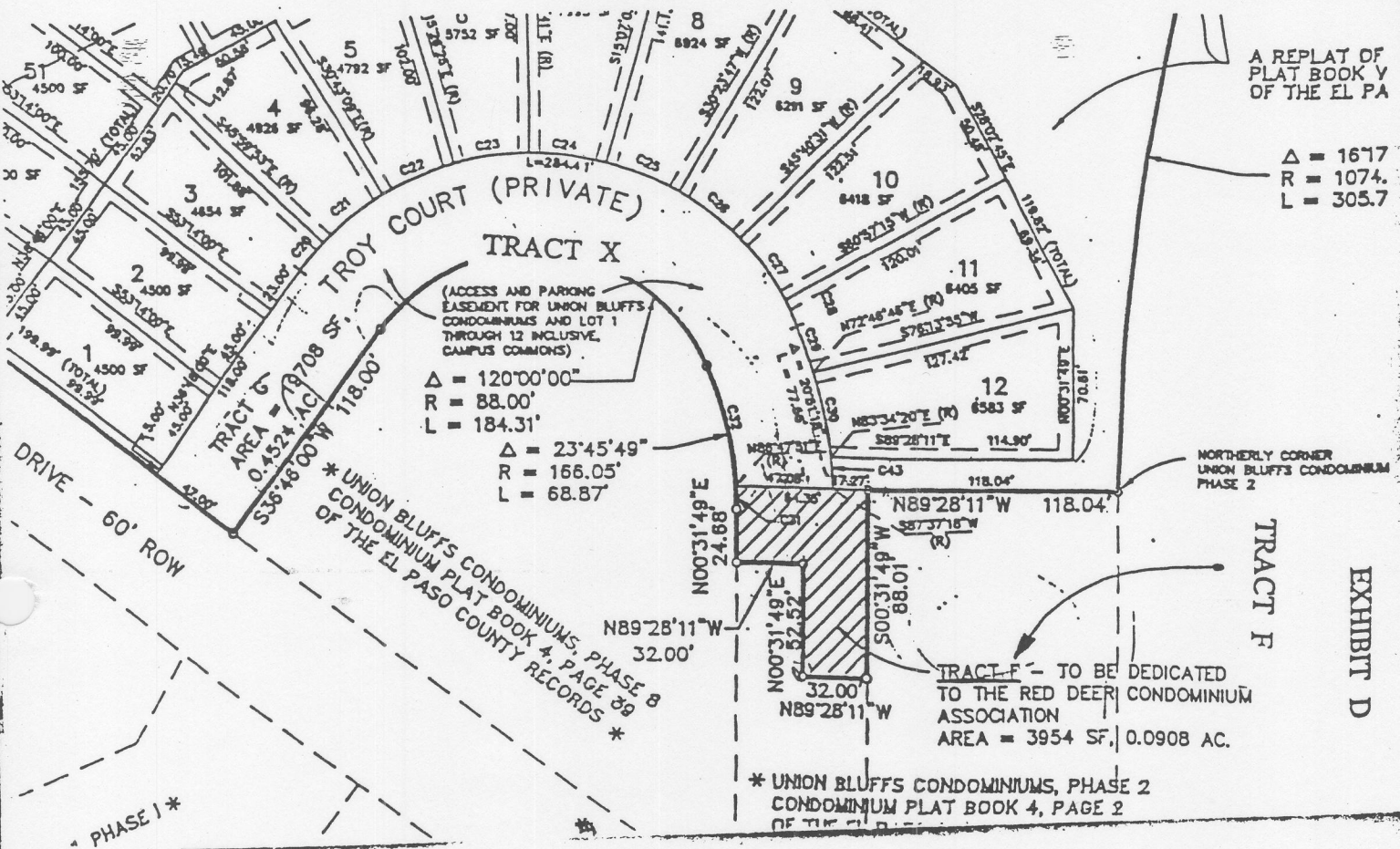
I, G. LAWRENCE BURNETT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED UNDER MY DIRECT RESPONSIBILITY, SUPERVISION, AND CHECKING, AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, IS CORRECT.

*G. Lawrence Burnett*



G. LAWRENCE BURNETT, PROFESSIONAL LAND SURVEYOR  
COLORADO P.L.S. NO. 10378  
FOR AND ON BEHALF OF JR ENGINEERING

9-17-93  
DATE



A REPLAT OF  
PLAT BOOK V  
OF THE EL PA

$\Delta = 1617$   
 $R = 1074.$   
 $L = 305.7$

# CAMPUS COMMONS

