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DECLARATION OF COVENANTS AND RESTRICTIONS OF CHAPEL HEIGHTS

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DECLARATION OF COVENANTS AND RESTRICTIONS OF CHAPEL HEIGHTS COMMUNITY

THIS DECLARATION OF COVENANTS AND RESTRICTIONS OF CHAPEL HEIGHTS COMMUNITY ("Declaration," as hereinafter more fully defined) is made and entered into to be effective as of the 1st day of January 2021 by Challenger Communities, LLC, a Colorado limited liability company, Challenger Colorado, LLC, a Colorado limited liability company, and Cottages at Chapel Heights, LLC, a Colorado limited liability community (collectively, "Declarant," as hereinafter more fully defined).

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property in the El Paso County ("County"), State of Colorado, which is described on <u>Exhibit A</u>, attached hereto and incorporated herein by this reference ("Property," as hereinafter more fully defined); and

WHEREAS, the Declarant desires to subject and place upon the Property certain covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities and other provisions; and

WHEREAS, this Declaration does not create a Common Interest Community, as defined by the Colorado Common Interest Ownership Act, Section § 38-33.3-103(8), Colorado Revised Statute, therefore, this Declaration shall not be governed by the Colorado Common Interest Ownership Act; and

WHEREAS, this Declaration is exempt from the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq. ("Act"), because there are no mandatory assessments created under this Declaration and there is no obligation to pay for real estate taxes, insurance premiums, maintenance, or improvements or other real estate or common area created under this Declaration; and

WHEREAS, pursuant to C.R.S. § 32-1-1004, and other provisions of Title 32 of C.R.S., it is the intention of the Declarant to empower the Metropolitan District (as hereinafter defined) to provide certain services to the residents of the Metropolitan District (collectively, the "Services," as hereinafter more fully defined), which may include covenant enforcement, design review, trash collection, and landscape maintenance.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold, and conveyed, subject to the following covenants, conditions, restrictions, easements, reservations, rights-of-way, obligations, liabilities, and other provisions, as set forth herein.

GENERAL

- A. <u>Planned Community.</u> Declarant is the owner of those certain lots located in the County as more particularly described on <u>Exhibit A</u> attached hereto and by this reference incorporated herein, which lots collectively constitute and are defined in this Declaration as the "Property." Declarant intends to develop the Property as a planned community of single family and multi-family residential homes and related uses. The name of the community to be developed on the Property is "Chapel Heights." All of the Property is located within the Chapel Heights Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado ("Metropolitan District"). Because ownership of a Unit does not obligate the owner to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in this Declaration, the Property is not and will not be a "common interest community," as defined in the Colorado Common Interest Ownership Act, and therefore the Property and this Declaration are not subject to or required to comply with the Act. Declarant confirms its intention that the Act will not apply to the Property or this Declaration.
- B. <u>Purposes of Declaration</u>. This Declaration is executed (a) to further a common and general plan for the development of the Property, as hereinafter defined; (b) to protect and enhance the quality, value, aesthetics, desirability and attractiveness of the Property; (c) to provide for and define certain duties, powers and rights of the Architectural Review Committee, as defined herein; (d) to define certain duties, powers and rights of the Metropolitan District under this Declaration; and (e) to define certain duties, powers and rights of Owners within the Property.
- C. <u>Declarations</u>. Declarant, for itself and its successors and assigns, hereby declares that the Property, and all property that becomes subject to this Declaration in the manner hereinafter provided from the date the same becomes subject to this Declaration, shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration. The provisions of this Declaration run with the land and, until their expiration in accordance with the terms hereof, shall bind, be a charge upon and inure to the mutual benefit of: (a) the Property and all property that becomes part of the Property; (b) Declarant and its successors and assigns; (c) the Metropolitan District and its successors and assigns; and (d) all Persons having or acquiring any right, title or interest in any portion of the Property or in any property that becomes part of the Property, or any Improvement thereon, and their heirs, personal representatives, successors or assigns. This Declaration will be recorded in the County.

ARTICLE 1. DEFINITIONS

Section 1.1. ARC.

"ARC" means the Architectural Review Committee which shall be appointed by the Declarant until conveyance of all of the Units to the first Owners thereof, other than the Declarant or any Builder or any other Person who acquires one or more Units for the purpose of constructing at

least one residence on each such Unit, and thereafter appointed by the Metropolitan District, all as provided in Section 2.1 of this Declaration. The ARC shall review, consider and approve, or disapprove, requests for architectural approval, as more fully provided in this Declaration.

Section 1.2. Builder.

"Builder" means any Person who: (i) acquires one or more parcels of the Property for the purpose of constructing at least one residence on each such parcel for sale, and/or rental, to the public; and/or (ii) acquires one or more parcels of the Property for sale to any Person fitting the description in Section 1.2(i); and is designated as a "Builder" under this Declaration in a written designation that is signed by the then-Declarant and recorded in the office of the Clerk and Recorder of El Paso County, Colorado.

Section 1.3. Covenants.

"Covenants" means this Declaration of Covenants and Restrictions of Chapel Heights, as may be amended and supplemented from time to time.

Section 1.4. Declarant.

"Declarant" means Challenger Communities, LLC; Challenger Colorado, LLC; and Cottages at Chapel Heights, LLC, each a Colorado limited liability company and/or any other Person to whom the Declarant may assign one or more of the Declarant's rights under this Declaration (which shall be the extent of the Declarant's rights to which such assignee succeeds); provided, that no assignment, except as provided herein to the Metropolitan District, of any Declarant rights shall be effective unless such assignment is duly executed by the assignor Declarant and recorded in the office of the Clerk and Recorder of El Paso County, Colorado.

Section 1.5. Governing Documents.

"Governing Documents" means this Declaration, any Guidelines (as hereinafter defined), any Rules and Regulations (as hereinafter defined), and any other documents now or hereafter adopted by or for the Metropolitan District or ARC, as amended and supplemented.

Section 1.6. Improvements.

"Improvements" means all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, hot tubs, satellite dishes, tennis courts, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible item, additions, walkways, sprinkler systems, garages, driveways, dog runs, fences, gates in fences, basketball backboards and hoops, swing sets and other play structures, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, groundcover, exterior light fixtures, poles, signs, exterior tanks, exterior air conditioning, cooling, heating and water softening equipment, and all exterior landscaping.

Section 1.7. Metropolitan District.

"Metropolitan District" means Chapel Heights Metropolitan District, a quasi-municipal governmental entity, its manager(s), representative(s) and board of directors and/or any other metropolitan district(s), to which the then-Metropolitan District may transfer or assign any or all of the rights and duties of the Metropolitan District under this Declaration. Each such assignment or transfer, if any, shall be effective upon recording in El Paso County, Colorado, of a document of transfer or assignment, duly executed by the then-Metropolitan District. Chapel Heights Metropolitan District is considered the "Metropolitan District" for all purposes of this Declaration, unless it has transferred and assigned its rights and duties by document recorded in the County. In addition to the authority to provide the Services (as defined in Section 1.11), the Metropolitan District has such other authority with respect to the provision of services as may be permitted by the Special District Act, C.R.S. 32-1-101 et seq., including but not limited to the right to adopt rules and regulations, fees, rates, tolls, penalties and charges, and undertake enforcement actions.

Section 1.8. Multiplex

"Multiplex" means each of the residential buildings constructed on the Property comprised of more than one attached Unit, which may be referred to collectively as the "Multiplexes".

Secton 1.9 Owner.

"Owner" means each fee simple title holder of a Unit, including Declarant, any Builder and any other Person who owns a Unit, but does not include a Person having an interest in a Unit solely as security for an obligation.

Section 1.10. Party Wall.

"Party Wall" means the foundation wall, the footing under such foundation wall, the shaft liner fire wall supported by the foundation and a roof sheathing or parapet, if existing, capping such fire wall which are part of the original construction of the Units are located and constructed on or adjacent to the common Unit boundary line which separates two adjoining Units, and which constitutes a common wall between adjoining Units, as such Party Wall may be repaired or reconstructed. A Party Wall is a structural part of and physically joins the adjoining Units on each side of the Party Wall. Without limiting the foregoing, the term "Party Wall", as used herein, shall also include any two (2) walls that generally meet the foregoing definition, and that together constitute the wall between two adjoining Units, even if such walls are separated by a de-minimus amount of air space.

Section 1.11 Person.

"Person" means a natural person, a corporation, a limited liability company, a partnership, a trust, a joint venture, an unincorporated association, or any other entity or any combination thereof, and

includes each Owner, the Declarant, each Builder, the ARC, the Metropolitan District, and the governing body of the Metropolitan District.

Section 1.12. Property.

"Property" means the real estate described on the attached <u>Exhibit A</u>, as supplemented and amended, as the same may now or hereafter be improved, and as the Declarant or other person may now or hereafter subdivide or re-subdivide any portion thereof; provided, however, that the "Property" shall not include any property that has been withdrawn as provided in Section 5.11 hereof.

Section 1.13. Services.

"Services" means the services that the Metropolitan District is empowered to provide pursuant to C.R.S. § 32-1-1004, as amended, and other provisions of Title 32 of C.R.S., as amended, including covenant enforcement, design review, trash collection, and landscape maintenance.

Section 1.13. Security Interest Holder

"Security Interest Holder" means any Person named as a mortgagee or beneficiary, or in a similar capacity, under any security interest the Administrator of Veterans 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 and the land records of the County in which such property is located, show the said Administrator as having the Record title to the Unit), or any successor to the interest of any such Person under such security interest.

Section 1.14. Unit.

"Unit" means each portion of the Property which is designated as a lot on a recorded plat that may be sold or conveyed without violation of the provisions of law pertaining to the subdivision of land, including each residence (attached or detached) now or hereafter located thereon. Units shall also include all attached Units which share a Party Wall.

ARTICLE 2. ARCHITECTURAL REVIEW

Section 2.1 Composition of ARC.

The ARC shall consist of three (3) or more natural Persons. The Declarant has the authority to appoint the ARC, and/or to delegate some or all architectural authority (as provided in Section 2.2 hereof), from the date of recording of this Declaration until the date of conveyance of all the Units to the first Owners thereof other than: (i) the Declarant, or (ii) any Builder, or (iii) any other Person who acquires one or more Units for the purpose of constructing at least one residence on each such Unit. Subsequent to such date, the governing board of the Metropolitan District shall appoint the ARC and/or to delegate some or all architectural authority (as provided in Section 2.2 hereof). The appointments of all then-current members of the ARC who were appointed by the Declarant shall

automatically terminate at such time as the Declarant's power to appoint members of the ARC expires (as provided earlier in this Section).

Section 2.2. Delegation of Some or All Architectural Authority.

The Person with the authority to appoint the ARC, as provided in the preceding Section 2.1, shall have the right and authority to: (i) delegate, in writing, some or all architectural authority, to one or more other Persons, including one or more management companies, metropolitan or other district(s), such as by entering into intergovernmental agreement(s) or other document(s) or agreement(s); and (ii) withdraw, in writing, any delegated authority.

Section 2.3. Architectural Review Requirements; Authority of the ARC.

- 2.3.1. No Improvements shall be constructed, erected, placed, altered, planted, applied, installed or modified, upon any Unit, unless said Improvements are in full compliance with all provisions of the Governing Documents, and unless such Improvements are approved in writing by the ARC. At least two (2) sets of complete plans and specifications of proposed Improvements (said plans and specifications to show exterior design, height, materials, color, and location of the Improvements, plotted horizontally and vertically, location and size of driveways, location, size, and type of landscaping, fencing, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the ARC), shall have been first submitted to the ARC for review and consideration. Only written receipt issued by the ARC or its representative shall be deemed as proof of the time and acceptability of a submittal for calculating the approval time set forth in Section 2.5 below.
- 2.3.2. The ARC shall endeavor to exercise its judgment in an attempt to provide for each proposed Improvement to generally harmonize with the existing surroundings, residences, landscaping and structures. However, the ARC shall not review or approve any proposed Improvements regarding whether the same complies with governmental requirements. Rather, as provided in Section 2.3.3, below, the applicant is also required to submit proposed Improvements to the applicable governmental entities for a determination of compliance with governmental requirements. In its review of such plans, specifications and other materials and information, the ARC may require, as a condition to considering an approval request, that the applicant(s) pay, and/or reimburse the ARC, for the expenses incurred in the process of review and approval or disapproval.
- 2.3.3. In addition to the foregoing review and approval, and notwithstanding anything to the contrary in this Declaration, the construction, erection, addition, deletion, change or installation, of any Improvements shall also require the applicant to obtain the approval of all governmental entities with jurisdiction thereover, and shall require issuance of all required permits, licenses and approvals by all such entities.
- 2.3.4. In addition to the authority that is given to the ARC in this Declaration, as well as such authority as may be implied from any provision(s) of this Declaration, the ARC shall have all authority and powers that are given by Colorado statute and/or case law, to a

corporation, a limited liability company, or any other legal entity. The foregoing shall include the power to receive and review complaints from one or more Owners, Declarant, one or more Builders, or any other Person(s), alleging that a violation of any of the Governing Documents has occurred or is occurring.

2.3.5. The ARC may, at any time, appoint a representative or committee to act on its behalf and the actions of such representative or committee shall be the actions of the ARC. However, if such a representative or committee is appointed, then the ARC shall have full power over such representative or committee, including the power to at any time withdraw from such representative or committee, any authority to act on behalf of the ARC, and the power to at any time remove or replace such representative or committee.

Section 2.4. Guidelines.

- The ARC, with the prior written approval of the Person who then has the authority to appoint the ARC, as provided in Section 2.1 of this Declaration, may promulgate, adopt, enact, modify, amend, repeal, and re-enact, architectural standards, rules, regulations and/or guidelines, regarding architectural matters and matters incidental thereto (collectively the "Guidelines"), but the Guidelines shall not be in conflict with these Covenants. The Guidelines may include: clarifying the designs and materials that may be considered in architectural approval; requirements for submissions, procedural requirements, specification of acceptable Improvement(s) that may be installed without prior review or approval; and permitting the ARC, with respect to any violation(s) or alleged violation(s) of any of the Governing Documents, to send demand letters and notices, levy and collect fines and interest, and negotiate, settle and take any other actions. In addition, the Guidelines may provide for blanket approvals, interpretations, or restrictions. By way of example, and not by way of limitation, the Guidelines may state that a certain type of screen door will be acceptable and will not require approval, or may state that only one or more types of fences are acceptable and no other types will be approved. All Improvements proposed to be constructed shall constructed be in accordance with these Covenants and the Guidelines. The Guidelines (as amended from time to time in accordance with their terms) may not be recorded against the Property but are hereby incorporated into these Covenants as if fully set forth herein.
- 2.4.2. Notwithstanding any provisions contained in the Guidelines, all construction shall be new. Any building previously used at another location or any building or improvement originally constructed as a mobile or modular dwelling may not be moved onto a Unit, except as used for temporary construction, sales, or administrative building, or as approved by the ARC.

Section 2.5. Procedures.

The ARC shall review each request for architectural approval in accordance with the design review procedures set forth in the Design Guidelines or the Rules and Regulations and approve (which may be with conditions and/or requirements), or disapprove, each request in writing within forty-five (45) days after the complete submission to the ARC along with a receipt acknowledgement by the ARC of the plans, specifications and other materials and information, which the ARC may require in

conjunction therewith. If the ARC fails to give its written approval or disapproval within forty-five (45) days after the acknowledged complete submission of all plans, specifications, materials and other information with respect to a written request for architectural approval, then such request is deemed approved by the ARC.

Section 2.6. Vote.

The affirmative, majority vote of the ARC shall be required for approval (which may be with conditions and/or requirements) of each matter, unless the ARC has appointed a representative or committee to act for it, in which case the written decision of such representative or committee shall control.

Section 2.7. Prosecution of Work After Approval.

After approval (which may be with conditions and/or requirements) of any proposed Improvement, the proposed Improvement shall be accomplished as promptly and diligently as possible, and in complete conformity with all conditions and requirements of the approval. Failure to complete the proposed Improvement within the time period set forth in the Guidelines or, if not set forth in the Guidelines, then one (1) year after the date of approval of the application, or to complete the Improvement in complete conformance with the conditions and requirements of the approval, shall constitute non-compliance; provided, however, that the ARC may grant extensions of time for completion of any proposed Improvements, either (a) at the time of initial approval of such Improvements; or (b) upon the request of any Owner, provided such request is delivered to the ARC in writing and the Owner is diligently prosecuting completion of the subject Improvements or other good cause exists at the time such request is made.

Section 2.8. Notice of Completion.

Upon the completion of an Improvement, the applicant for approval of the same shall give a written "Notice of Completion" to the ARC (in form and substance acceptable to the ARC, or on forms provided by ARC). Until the date of receipt of such Notice of Completion, the ARC shall not be deemed to have notice of completion of any Improvement on which approval (which may be with conditions and/or requirements) has been sought and granted as provided in this Article.

Section 2.9. Inspection of Work.

The ARC, or its duly authorized representative, has the right to inspect any Improvement at any time, including prior to or after completion, in order to determine whether or not the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Article. Such inspections may be made in order to determine whether or not the proposed Improvement is being completed, or has been completed, in compliance with the approval granted pursuant to this Article. However, such right of inspection terminates ninety (90) days after the ARC has received a Notice of Completion from the applicant and no action has been initiated by the ARC. The 90-day period to perform inspections after the ARC has received a Notice of Completion does

not apply to or limit the right or authority of the ARC or the Board to enforce these Covenants, including but not limited to the requirements pertaining to the maintenance of Improvements.

Section 2.10. Notice of Non-compliance.

If, as a result of inspections or otherwise, the ARC determines that any Improvement has been done without obtaining all required approvals (which may be with conditions and/or requirements), or was not done in substantial compliance with the approval that was granted, or is not in compliance with the Guidelines, or has not been completed within the time period set forth in the Guidelines or, if not set forth in the Guidelines, then within one (1) year after the date of approval (except landscaping, as provided below), subject to any extensions of time granted pursuant to Section 2.7 hereof, or for any other reason(s), then the ARC shall notify the applicant in writing of the non-compliance. Such notice of non-compliance must be given not later than sixty (60) days after (as applicable), (a) the ARC receives a Notice of Completion from the applicant, or (b) the ARC discovers any such noncompliance. The notice of non-compliance shall specify the particulars of the non-compliance.

Section 2.11. Correction of Non-compliance.

If the ARC determines that a non-compliance exists, the Person responsible for such non-compliance shall remedy or remove the same within the time period set forth in the Guidelines or, if not set forth in the Guidelines, then not more than forty-five (45) days from the date of receipt of the notice of non-compliance. If such Person does not comply with the ruling within such period, the ARC may, at its option, record a notice of non-compliance against the Unit on which the non-compliance exists, may impose fines, penalties and interest, may remove the non-complying Improvement, or may otherwise remedy the non-compliance, and the Person responsible for such non-compliance shall reimburse the ARC, upon demand, for all costs and expenses, as well as anticipated costs and expenses, with respect thereto.

Section 2.12. Cooperation.

The ARC has the right and authority to enter into agreements and otherwise cooperate with any architectural review or similar committees, any metropolitan or other districts, or one or more boards or committees that exercise architectural or design review functions, or any other Person, in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the ARC. The costs and expenses for all such matters, if any, shall be shared or apportioned between such Persons and the ARC, as the ARC may determine. The foregoing shall include collection, payment, and disbursement of fees, charges, and/or any other amounts.

Section 2.13. Access Easement.

The Declarant hereby reserves, and each Owner hereby grants, to the ARC, the Metropolitan District and the Person who then has the authority to appoint the ARC, as provided in Section 2.1 of these Covenants, including the agents, employees and contractors of each such Person (including the ARC), on, over, under and across the Units, and each of them, excluding any habitable structure and the

interior of any residence thereon, easements for performing any of the actions contemplated in the Governing Documents, including inspections pursuant to Section 2.9 of these Covenants, and including enforcement of each of the terms and provisions of the Governing Documents. If damage is inflicted on any property or Unit, or a strong likelihood exists that damage will be inflicted, then the Person responsible for such damage, or expense to avoid damage, is liable for the cost of prompt repair. The use of "Person" in the preceding sentence includes the ARC and the Person who then has the authority to appoint the ARC, as provided in Section 2.1 of these Covenants, if they are responsible for such damage or expense to avoid damage. Further, the rights and easements granted in this Section may be exercised only during reasonable hours after reasonable notice to the Owner(s) or occupant(s) of any affected Unit; except that no such notice shall be required in connection with any exterior, non-intrusive inspections and maintenance; and except that, in emergency situations, entry upon a Unit may be made at any time, provided that the Owner(s) or occupant(s) of each affected Unit shall be notified of emergency entry as early as is reasonably possible. The interior of any residence shall not be subject to the easements that are provided for in this Section.

Section 2.14. No Liability.

The ARC, the Metropolitan District, the Person who then has the authority to appoint the ARC, as well as any representative or committee appointed by the ARC, shall not be liable in equity or damages to any Person by reason of any action, failure to act, approval (which may be with conditions and/or requirements), disapproval, or failure to approve (which may be with conditions and/or requirements) or disapprove, in regard to any matter. In reviewing or approving any matter, the ARC shall not be responsible for the safety, whether structural or otherwise, of the Improvements submitted for review, nor the conformance with applicable building codes or other governmental laws or regulations, nor compliance with any other standards or regulations, and any approval (which may be with conditions and/or requirements) of an Improvement by the ARC shall not be deemed an approval of any such matters and does not constitute a warranty by the ARC to any applicant of the adequacy of design, workmanship or quality of such work or materials for any applicants' intended use. No Owner or other Person shall be a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by, the ARC.

Section 2.15. Variance.

The ARC may grant reasonable variances or adjustments from any conditions and restrictions imposed by Article 2 of these Covenants, or by the Guidelines, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood, and shall not militate against the general intent and purpose hereof. However, any variance that may be granted under this Section is only a variance from the requirements of the applicable Governing Document for the individual application and is not a variance from the requirements of any applicable governmental or quasi-governmental agency or entity. No granting of a variance or adjustment to

any one applicant/Owner shall constitute a variance or adjustment, or the right to a variance or adjustment, to any or all other applicants/Owners.

Section 2.16. Waivers; No Precedent.

The approval or consent of the ARC, or any representative or committee thereof, to any application for approval shall <u>not</u> be deemed to constitute a waiver of any right to withhold or deny approval or consent by such Person, or any Person, as to any application or other matters whatsoever, as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

Section 2.17. Declarant, Metropolitan District and Builder Exemption.

- 2.17.1. Notwithstanding anything to the contrary, the Declarant is exempt from this Article and all provisions of the Governing Documents that require ARC review and/or approval, except for the requirement to obtain approval from all governmental entities with jurisdiction thereover (as provided in Section 2.3.3 of these Covenants).
- 2.17.2. Notwithstanding anything to the contrary, as long as, and to the extent that, a Builder has received written architectural approval from the Declarant for one or more matters, such Builder shall, as to Improvements the Declarant has approved, be exempt from this Article and all provisions of the Governing Documents that require ARC review and/or approval of such matters, except for the requirement to obtain approval from all governmental entities with jurisdiction thereover (as provided in Section 2.3.3 of these Covenants).
- 2.17.3. Notwithstanding anything to the contrary, the Metropolitan District is exempt from this Article and all provisions of the Governing Documents that require ARC review and/or approval, except for the requirement to obtain approval from all governmental entities with jurisdiction thereover (as provided in Section 2.3.3 of these Covenants).

Section 2.18. Metropolitan District Services

In addition to the enforcement of these Declarations, the Metropolitan District shall have the power, but not any duty, to sponsor or conduct various community activities or special events of a social or recreational nature, to hire and provide a security or courtesy patrol, which shall be unarmed and shall not be a substitute for the municipal police, to provide trash removal service, landscape maintenance and to provide general informational services which may include, without limitation, community newsletter, social functions and similar services. The services described above may be subscribed to by the Metropolitan District on behalf of the residents of the Property and, if so, the governing board of the Metropolitan District shall determine the scope, frequency, and all other matters, with regard to such services and the Owners shall pay their proportionate share of such services through a property tax mill levy or by imposition and collection of fees, as determined by the governing board of the Metropolitan District.

Section 2.19 Authenticated Electronic Representation

Notwithstanding anything to the contrary contained in this Declaration, to the extent not prohibited by applicable law, the Declarant or Metropolitan District may use technology or electronic representation in completing its duties and responsibilities hereunder. In this regard, any reference in any of such documents to action, attendance, representation, notice, quorum, voting or acknowledgement, as well as any and all other matters, may be conducted by authenticated electronic activity and, to the extent not prohibited by applicable law, the provisions of all of such documents shall be deemed to include provisions which permit such authenticated electronic activity.

ARTICLE 3. RESTRICTIONS

Section 3.1 General.

Notwithstanding anything to the contrary, the Property is subject to all covenants, conditions, restrictions, requirements, easements, licenses, and other provisions of all documents recorded in the office of the Clerk and Recorder of El Paso County, Colorado, as amended, including those stated on the recorded plats of the Property, or any portion thereof, but only as and to the extent provided in such documents. In addition, the Declarant declares that, subject to Section 5.4 hereof, the Property shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in these Covenants.

Section 3.2. Compliance with Law.

All Owners, and all other Persons, who reside upon or use any Unit or any other portion of the Property, shall comply with all applicable statutes, ordinances, laws, regulations, rules and requirements of all governmental and quasi-governmental entities, agencies and authorities; provided however, neither the Declarant, the ARC or the Metropolitan District shall have any obligation or duty whatsoever to enforce this Section 3.2.

Section 3.3. Residential Use; Professional or Home Occupation.

Subject to Section 5.4 of these Covenants, Units shall be used for residential use only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes except that Owners may conduct home occupations and business activities within their residences to the extent permitted by, and in compliance with, the ordinances of the City and County and any Guidelines and Rules and Regulations that do not conflict with such ordinances. Notwithstanding the foregoing, a Builder may use one or more Units for purposes of model units, sales offices, construction offices, management offices, and for any other purposes necessary or desirable for, or incidental to, the development of the community or the construction and sale of homes in the community.

Section 3.4. Animals.

No animals, livestock (pigs, cattle, horses, goats, sheep, lamas, etc.), birds, poultry, rabbits, snakes, reptiles, insects or other animals of any description shall be kept or maintained on or in any Unit, except that any Owner may keep up to four dogs or cats, so long as such pets comply with the Guidelines, are not kept for commercial purposes, do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any of the residents of adjacent property, and are kept in compliance with all existing applicable local ordinances and any rules and regulations of these Covenants and the Guidelines. An Owner, family member, tenant or guest is responsible for any damage caused by his pet and shall be obligated to clean up after his pet while it is on the Property. All dogs shall be kept on leash and attended by their Owners when present on the Property. The ARC may institute such rules as it deems advisable for the control of pets, including without limitation, prohibitions and restrictions, and may impose such fines as are necessary in its sole discretion to enforce such rules and these Covenants. An Owner's right to keep household pets is coupled with the responsibility for collecting and properly disposing of any animal waste and to pay for all damage caused by such pets.

Section 3.5. Temporary Structures; Unsightly Conditions.

Except as hereinafter provided, no structure of a temporary character, including a house trailer, tent, shack, storage shed, or outbuilding shall be placed or erected on any Unit; provided, however, that during the actual construction, alteration, repair or remodeling of a structure or other Improvements, necessary temporary structures, offices and trailers for construction, marketing or storage of materials may be erected and maintained by the Person doing such work with prior written approval from the ARC. The work of constructing, altering or remodeling any structure or other Improvements shall be prosecuted diligently from the commencement thereof until the completion thereof. Further, no unsightly conditions, structures, facilities, equipment or objects, shall be so located on Unit as to be visible from a street or from any other Unit.

Section 3.6. Miscellaneous Improvements.

3.6.1. No advertising or signs of any character other than political signs shall be erected, placed, permitted, or maintained on any Unit other than a name plate of the occupant and a street number, and except for a "For Sale," "Open House," "For Rent," or security sign of not more than five (5) square feet in the aggregate; except that signs advertising garage sales, block parties, or similar community events, may be permitted if the same are in accordance with the Guidelines or have been submitted to the ARC for review and written approval (which may be with conditions and/or requirements) prior to the posting of such signs. Notwithstanding the foregoing, any signs, billboards or other advertising may be used by the Declarant or by any Builder (with the prior written approval of the Declarant), without regard to the foregoing or any limitations, requirements, specifications or other provisions of the Governing Documents, the ARC, or the Metropolitan District, and without any approval (except as stated earlier in this sentence).

- 3.6.2. No wood piles or storage areas shall be located on any Unit so as to be visible from a street or from the ground level of any other Unit.
- 3.6.3. No types of solar devices, exterior air conditioning units and systems, swamp coolers, refrigerating, cooling or heating apparatus shall be permitted on a roof, except as permitted by law, and then only with the prior written approval of the ARC. Further, no such apparatus shall be permitted elsewhere on a Unit except when appropriately screened and approved in writing by the ARC. For example, conventional air conditioning units located on the ground of a Unit are permissible when approved in accordance with the preceding sentence. Window mounted air conditioners or swamp coolers are strictly prohibited.
- 3.6.4. No exterior radio antenna, television antenna, or other antenna, satellite dish, or audio or visual reception device of any type shall be placed, erected or maintained on a Unit, except inside a residence or otherwise concealed from view; provided, however, that any such devices may be erected or installed by the Declarant or by any Builder during its sales or construction; and provided further, however, that the requirements of this subsection shall not apply to those "antenna" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended. As to "antenna" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended, the ARC shall be empowered to adopt Rules and Regulations governing the types of "antenna" (including certain satellite dishes) that are permissible hereunder and, to the extent permitted by the Telecommunications Act of 1996 and/or applicable regulations, as amended, establish reasonable, non-discriminatory restrictions relating to appearance, safety, location, maintenance, and other matters.
- 3.6.5. No fences, other than fences constructed or installed by the Declarant or a Builder (with the prior, written approval of the Declarant), shall be permitted, except with the prior written approval (which may be with conditions and/or requirements) of the ARC. Any fence(s) constructed on a Unit shall be maintained, repaired and replaced by the Owners of such Unit.
- 3.6.6. PODs and other temporary storage containers must be kept on an Owner's Unit, not on any common space, sidewalk or street. The storage container may be kept on a Unit for no more than seven calendar days. Extensions may be granted by the ARC.

Section 3.7. Vehicular Parking, Storage and Repairs.

3.7.1. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, recreational vehicles, golf carts and boat trailers, shall be parked only in enclosed garages or specific areas, if any, which may be designated by the ARC. This restriction, however, shall not restrict trucks or commercial vehicles which are necessary for construction or for the maintenance of any portion of the Property, or any Improvements located thereon, nor shall such restriction prohibit vehicles that may be otherwise parked as a

temporary expedient for loading, delivery or emergency, or emergency service vehicles. Stored vehicles and vehicles which are inoperable or do not have current operating licenses shall not be permitted on the Property except within enclosed garages. For purposes of this Section, the ARC may determine whether a vehicle is considered "stored." For example, a vehicle may be considered to be "stored" if it is up on blocks or covered with a tarpaulin and remains on blocks or so covered for seventy-two (72) consecutive hours without the prior approval (which may be with conditions and/or requirements) of the ARC.

- 3.7.2. No activity, including maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicles, trailers or boats, may be performed or conducted in the Property unless it is done within completely enclosed structure(s) which screen the sight and sound of the activity from the street and from adjoining property. Any Owner or other Person undertaking any such activities shall be solely responsible for, and assumes all risks of, such activities, including adoption and utilization of any and all necessary safety measures, precautions and ventilation. However, the foregoing restrictions shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, motor-driven cycle, or other vehicle on a Unit, together with those activities normally incident and necessary to such washing and polishing.
- 3.7.3 Parking vehicles, which shall include, without limitation, motorcycles, minibikes, scooters, go-carts, commercial vehicles, trucks, vans, recreational vehicles, trailers and automobiles, in yards or on streets within the Property is prohibited. Owners' visitors may temporarily park on the street but in no case shall there be overnight parking in the streets without prior authorization from the ARC.
- 3.7.4. In the event the ARC determines that a vehicle is parked or stored in violation of subsections 3.7.1, 3.7.2 or 3.7.3 hereof, then a written notice describing said vehicle shall be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or shall be conspicuously placed upon the vehicle (if the owner thereof cannot be reasonably ascertained), and if the vehicle is not removed within a reasonable time thereafter, as determined by the ARC, then the ARC may have the vehicle removed at the sole expense of the owner thereof.
- 3.7.5 DECLARANT, EACH BUILDER, THE METROPOLITAN DISTRICT, AND THE ARC, HEREBY DISCLAIM ANY AND ALL OBLIGATIONS REGARDING, RELATING TO OR ARISING OUT OF, THE PERFORMANCE OF ANY MAINTENANCE, SERVICING, REBUILDING, REPAIR, DISMANTLING, OR REPAINTING OF ANY TYPE OF VEHICLE, BOAT, TRAILER, MACHINE OR DEVICE OF ANY KIND, BY ANY OWNER OR OTHER PERSON.

Section 3.8. Nuisances.

No obnoxious or offensive activity shall be carried on within the Property, nor shall anything be done, permitted or placed on the Property which shall constitute or may become a public nuisance. As used herein, the term "noxious or offensive activity" shall not include any activities of an Owner, Declarant, any Builder, or their respective designees which are reasonably necessary to the development of and construction on the Property so long as such activities do not violate the Governing Documents or the statutes, rules or regulations of any governmental authority having jurisdiction with respect thereto and do not unreasonably interfere with any Owner's use of his or her Unit or with any Owner's ingress or egress to or from his or her Unit and roadway. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its occupants. As used herein, the term "noise or other nuisance" shall not include any activities of an Owner, Declarant, any Builder, or their respective designees which are reasonably necessary to the development of and construction on the Property. A "nuisance" includes violation of Sections 3.19 and 3.20 of these Covenants.

Section 3.9. No Hazardous Activities; No Hazardous Materials or Chemicals.

No activities shall be conducted on any Unit which are unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged, and no open fires shall be lighted or permitted on any Unit (except in a contained cooking unit while attended and in use for cooking purposes or within an interior fireplace or outdoor fire pit powered by natural gas, propane or something similar). Further, no hazardous materials or chemicals shall at any time be located, kept or stored, except such as may be contained in household products normally kept at homes for use of the residents thereof, and in such limited quantities so as not to constitute a hazard or danger to person or property.

Section 3.10. Lights, Sounds or Odors.

No light shall be emitted which is unreasonably bright or causes unreasonable glare. All exterior lighting of the Improvements and grounds on the Property shall be subject to regulation by the ARC. No sound shall be emitted from any Unit which is unreasonably loud or annoying; and no odor shall be permitted to emanate from any Unit which is noxious or offensive.

Section 3.11. Trash Disposal.

The Metropolitan District shall have the power to regulate the days and hours during which trash and solid waste may be collected or put out for collection in any portion of the Property, and the Metropolitan District may require all Owners to use a common trash collection company or entity selected by the Metropolitan District. No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate on a Unit, except inside a residence, nor shall such items be deposited on a street, unless placed in a suitable, tightly-covered container that is suitably located solely for the purpose of garbage pickup. Further, no trash or materials shall be permitted to accumulate in such a

manner as to be visible from any Unit. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage or trash cans or receptacles shall be maintained in an exposed or unsightly manner

Section 3.12. Units to be Maintained.

Subject to Section 3.5 hereof, each Unit (including adjacent tree lawn area(s)) shall at all times be maintained, repaired and replaced in a good, clean and sightly condition by the Owners of such Unit. Each Owner shall maintain the exterior of the Unit and all other Improvements on the Owner's Unit in good condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. Each Owner shall keep the lawn on his Unit mowed and all landscaping properly maintained. Each Owner hereby acknowledges that the requirement to maintain each Unit in "good condition" and "properly maintained" shall be based upon a standard of care which is appropriate for single family residential areas in Colorado Springs, Colorado which are of a comparable quality and nature.

Section 3.13. Leases.

The term "lease," as used herein, shall include any agreement for the leasing or rental of a Unit, or any portion thereof, and shall specifically include month-to-month rentals and subleases of not less than 30 days. Any Owner shall have the right to lease his Unit, or any portion thereof, as long as all leases provide that the lease, and lessee's occupancy of the leased premises, are subject in all respects to the Governing Documents; and that any failure by the lessee to comply with any of the Governing Documents, in any respect, shall be a default under the lease.

Section 3.14. Outside Storage and Clotheslines.

All snow removal equipment, garden maintenance equipment, and other equipment, machinery, tools and furnishings may be required by the ARC to be screened, stored within an Improvement constructed on the Unit in accordance with the Guidelines, or stored at another designated location or locations. The drying or hanging of any laundry or wash outside any building and the use of clotheslines on a Unit shall be subject to the Guidelines which may regulate such activities in compliance with the applicable provisions of Colorado law.

Section 3.15. Limitation on Outdoor Facilities.

Outdoor hot tubs, sport courts and swimming pools may be permitted on a Unit with the approval of the ARC. The approval may be conditioned upon requirements including, without limitation, the addition of appropriate screening, lighting and noise abatement Improvements.

Section 3.16. Landscaping.

Within the time frames as hereinafter provided, subject to applicable force majeure delays as determined by the ARC, the Owner of each Unit (other than Declarant or a Builder) shall install

landscaping on all of the Unit which is not covered by a building or Improvement, as well as on the tree lawn areas adjacent to such Unit. The Owner of each Unit (other than Declarant or a Builder) shall install landscaping on such Unit, and on adjacent tree lawn areas, within the time period set forth in the Guidelines or, if not set forth in the Guidelines, then: within one hundred eighty (180) days after acquisition of such Unit by such Owner, if said acquisition occurs between April 1 and July 31; or, by the following June 30, if such acquisition does not occur between April 1 and July 31. Landscaping plans must be submitted to the ARC for review and approval (which may be with conditions and/or requirements), and such approval shall be obtained prior to the installation of landscaping, in accordance with Article 2 of these Covenants. Each Owner shall maintain all landscaping on such Owner's Unit, and on adjacent tree lawn areas, in a neat and attractive condition, including periodic and horticulturally correct pruning, removal of weeds and debris, and replacement of landscaping.

- Section 3.17. Grade and Drainage; Irrigation Recommendations; Drainage Easement; Maintenance of Surface Drainage Improvements and Underdrains.
 - 3.17.1. Each Owner shall maintain the grading upon his Unit, and grading around the building foundation, at the slope and pitch fixed by the final grading thereof, so as to maintain the established drainage. Each Owner agrees that he will not in any way interfere with the established drainage pattern over his Unit. In the event that it is necessary or desirable to change the established drainage over any Unit, then the Owner thereof shall submit a plan to the ARC for review and approval (which may be with conditions and/or requirements), in accordance with Article 2 of these Covenants, and any such change shall also be made in accordance with all laws, regulations, requirements and resolutions of all applicable governmental entities. For purposes of this Section, "established drainage" is defined as the drainage which exists at the time final grading of a Unit by the Declarant, or by a Builder, is completed.
 - 3.17.2. The Owner of a Unit should <u>not</u> plant flower beds (especially annuals), vegetable gardens and other landscaping which requires regular watering, within five (5) feet of the foundation of the dwelling unit or any slab on the Unit. If evergreen shrubbery is located within five (5) feet of any foundation wall or slab, then the Owner of the Unit should water such shrubbery by controlled hand-watering, and should avoid excessive watering. Further, piping and heads for sprinkler systems should not be installed within five (5) feet of foundation walls and slabs.
 - 3.17.3. Declarant reserves to itself and to each Builder and the Metropolitan District the right to enter in and upon each rear, front and side yard drainage easements of record, at any time, to construct, repair, replace or change drainage pipes, structures or drainage ways, or to perform such grading, drainage or corrective work as Declarant, Builder or the Metropolitan District may determine.

By virtue of the review and submittals described in this Section 3.17, the ARC is in no manner certifying, guaranteeing or otherwise making any representations or warranties

with respect to the adequacy, sufficiency or appropriateness of any grading plan applicable to the Unit. Each Owner of a Unit acknowledges and agrees that the ARC shall have no responsibility or liability whatsoever with respect to such issues and each Owner shall by fully and solely responsible for same.

The Owner of each Unit hereby acknowledges that it is solely responsible for any damage which results, directly or indirectly, from a change in the grading pattern of the Unit in violation of the provisions of this Section 3.17 of these Covenants.

Section 3.18 Insurance

Insurance coverage on each Owner's Unit, and the Improvements thereon, as well as on personal property belonging to an Owner, all of which shall provide for replacement cost coverage, and public liability insurance coverage on each Unit, shall all be the responsibility of the Owner of such Unit and must be kept in force at all times. Each Unit shall be insured in an amount not less than the full replacement value of the Improvements therein and thereon.

Section 3.19

Section 3.20 Weeds.

The entire area of every Unit on which no Improvement has been constructed must be kept free from plants and weeds infected with noxious insects or plant diseases and from weeds which, in the reasonable opinion of the ARC, constitute a nuisance or are likely to cause the spread of infection or weeds to neighboring property, and free from brush or other growth which creates an undue danger of fire.

Section 3.21 Outdoor Burning

Outside burning of leaves, trash, garbage or household refuse is not permitted. Fires in barbecues and outside fireplaces contained within facilities or receptacles intended for such purpose will be allowed, and any outside facilities intended for use as a fireplace or to contain fires will be in compliance with design guidelines or otherwise approved by the ARC. An Owner must not permit any condition on a Unit that creates a fire hazard or is in violation of fire prevention regulations adopted by the City of Colorado Springs or any governmental authority having jurisdiction and control over outside burning. If any ban on outdoor fires is at any time imposed by the City or other governmental authority, such ban shall be observed within the Property.

Section 3.22 Manufacturing or Commercial Enterprise.

No manufacturing or commercial enterprise or other activity conducted for gain may be conducted or maintained upon, in front of, or in connection with any Unit. A home office may be

maintained on a Unit as long as it is in compliance with all applicable City of Colorado Springs Laws and ordinances and does not create a change in regular residential traffic and parking practices.

Section 3.23 Subdivision of Units

No Unit may be subdivided or further divided by an Owner other than Declarant.

Section 3.24 No Hazardous Activities

No activity shall be conducted on and no Improvement shall be constructed on any Unit or the Property which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Unit.

Section 3.25 Building and Grounds Maintenance

The Owner must maintain the exterior of all Improvements and grounds of a Unit in a state of good condition and repair. Such obligation includes, but is not limited to, maintaining the exterior materials and finishes of the Improvements, fencing, landscaping, drainage areas, driveways and sidewalks. Irrigation of landscaping will be in compliance with any applicable City of Colorado Springs watering ordinance. If an Owner fails to maintain the Improvements, written notice may be given to the Owner that, unless the required maintenance is diligently pursued within the ten (10) days following such notice, the property will be declared a nuisance.

Section 3.26 Attached Unit Easement and General Rules of Law to Apply.

The Owners of the Units on each side of a Party Wall own an undivided one-half interest in the Party Wall. To the extent not inconsistent with the provisions of ths Declaration, Party Wall agreements between Owners, the general rules of law regarding party walls, and liability for property damage due to gross negligence or willful acts or omissions, apply thereto. The Owners of the adjoining Units which are separated by a Party Wall each have a perpetual and reciprocal easement in and to that part of the adjoining Unit for mutual support, maintenance, repair and inspection, and for the installation, repair and maintenance of utility lines and other facilities, and to permit the Owner of the adjoining Unit to do the work reasonably necessary in the exercise of their rights provided in this Agreement. In addition, the Owners of the Units upon which Units within one Multiplex are located each have a perpetual and reciprocal easement in and to those portions of all other Units in the Multiplex required for mutual support of a common roof on the Multiplex, including maintenance, repair and inspection, and to permit the Owner of any other Unit within the Multiplex to do the work reasonably necessary in the exercise of such other Owner's rights provided in this Agreement. Maintenance, repair and/or reconstruction of a Party Wall may be performed during reasonable hours only, and no entry may be made onto any other Owner's Unit except as reasonably necessary after reasonable notice to the Owner or occupants of such affected Unit.

(a) Support. The Owners of adjoining Units on each side of a Party Wall shall have the full right to use the Party Wall in aid of the support of water, sewer, electric and other utility lines, and in support of joists, crossbeams, studs and other structural members as may be required for support of the Unit located upon such Owner's Lot, and for the reconstruction or remodeling of such improvements. Notwithstanding the foregoing sentence, however, no such use shall impair the fire rating of the Party Wall or the structural support to which any such Unit is entitled under this Agreement, including, without limitation, the support of a common roof over the Units in a Multiplex.

Alteration of Party Wall and/or Common Roof. Party Walls and the common roof of a Multiplex shall not be materially altered or changed, except by mutual- written agreement of the Owners of the adjoining Units and in accordance with plans prepared by a licensed engineer or architect. No Owner of a Unit shall have the right to destroy, remove, or make any structural changes, extensions or modifications of a Party Wall which would jeopardize the fire rating of the Party Wall or the structural integrity of the Units constructed on the adjoining Units without the prior written consent of the Owner(s) of such adjoining Unitss. In addition, no Owner of a Unit shall have the right to destroy, remove, extend or modify the common roof of a Multiplex without the prior written consent of the Owners of all Units within the Multiplex, provided, however, that such prohibition does not restrict or hinder an Owner from having that portion of the common roof above its Unit repaired, replaced or re-shingled without the consent of any other Owner. In the event an Owner must obtain the prior written consent of any other Owner under this Section, such Owner seeking consent must also obtain the prior written consent of the holders of first lien mortgages or first lien deeds of trust on all such Units within the Multiplex. Any such agreement for change, extension or modification of the Party Wall or common roof shall be recorded in the office of the Clerk and Recorder of the County, and shall expressly refer to this Agreement. No Owner shall subject a Party Wall to any use which unreasonably interferes with the equal use and enjoyment of the Party Wall by the adjoining Owner.

- (c) Shared Repairs and Maintenance. Subject to the terms of Section 8.08 of this Article below, the cost of reasonable repair and maintenance of a Party Wall between two (2) adjoining Units shall be shared equally by the Owners of the adjoining Units. If an Owner fails to repair or maintain the Party Wall, the other Owner, contiguous to the Party Wall, his agents, servants and employees may, upon five (5) days written notice and without cure, enter upon into the Unit of the defaulting Owner and make the necessary repairs or perform the necessary maintenance of the Party Wall and shall be entitled to bring suit for contribution from the other Owner or pursue any other rights or remedies at law or in equity.
- (d) Right to Contribution Runs with The Land. The right of any Owner to contribution from any other Owner under this Agreement is appurtenant to the land and is binding on such Owner's successors in title.
 - (e) The Owners of the Units within a Multiplex shall endeavor to reasonably cooperate with each other with respect to the decisions and the costs and expenses of the periodic reasonable repair, maintenance, reconstruction and replacement of exterior improvements to the Multiplex, to the extent such activities affect more than one Unit, including, without limitation, repair or

replacement of the common roof. The Owners of adjacent Units on each side of a Party Wall within a Multiplex shall endeavor to reasonably cooperate with each other with respect to the decisions and the costs and expenses of the periodic reasonable repair, maintenance, reconstruction and replacement of the Party Wall.

(f) Damage and Destruction.

- i. Should a Party Wall be damaged or destroyed by either the intentional or grossly negligent act of a Unit Owner (or its agent, contractor, employee, tenant, family member, licensee, guest or invitee), such Owner shall promptly and with due diligence repair or rebuild the Party Wall at such Owner's sole cost and expense, and shall compensate the Owner of the other Unit adjoining the Party Wall for any damages sustained to person or property as a result of such intentional or grossly negligent act. If the responsible Owner neglects or refuses either to make all such repairs or rebuild the Party Wall as required herein, or to pay all of such costs thereof in a timely and prompt manner, then the Owner of the adjoining Unit sharing the Party Wall may have the Party Wall repaired or rebuilt and shall be entitled, in addition to any other rights or remedies at law or in equity, to bring suit to recover the amount of such defaulting Owner's share of the repair and damage costs and the defaulting Owner shall also pay the other Owner's reasonable costs of collection including, without limitation, reasonable attorney's fees.
- ii. Should a Party Wall be damaged or destroyed by causes other than the intentional act or gross negligence of a Unit Owner (or its agent, contractor, employee, tenant, family member, licensee, guest or invitee), the damage or destroyed Party Wall shall be promptly and with due diligence repaired or rebuilt and the costs of reasonable repair and maintenance of the Party Wall shall be paid equally by the Owners of the Units adjoining the Party Wall; provided that the cost of repairs and maintenance of the stud wall that is adjacent to the two (2) inch fire wall which comprises a part of the Party Wall located on a Lot and of the interior finished surface of a Party Wall located in a Unit shall be the sole expense of the Owner of the Unit on which such stud wall and finished surface is located.
- iii. If a Party Wall is damaged or destroyed, such damage or destruction shall be promptly and with due diligence repaired and reconstructed by the Owner of the Units adjoining the Party Wall. Repair and reconstruction shall mean restoration of the Party Wall to substantially the same condition in which it existed immediately prior to such damage or destruction. To the extent that such damage or destruction is covered by insurance, then the full insurance proceeds available to the Owner or Owners responsible for making the necessary repairs shall be used and applied to repair and reconstruction of the Party Wall.
- iv. All repairs must be completed as soon as practicable but not later than sixty (60) days after the event of damage or destruction or if longer than sixty (60)

days is reasonably required to complete the repairs, then such longer time as is reasonably necessary as long as the Owner making the repairs has promptly commenced the repairs after the event of damage or destruction and diligently pursues the repairs to completion.

ARTICLE 4. ALTERNATIVE DISPUTE RESOLUTION

Section 4.1. Intent of Article; Applicability of Article; and Applicability of Statutes of Limitation.

- 4.1.1. Each Bound Party (as defined below) agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit any Claims (as defined below) to the procedures set forth in Section 4.6 hereof.
- 4.1.2. By acceptance of a deed for a Unit, each Owner agrees to abide by the terms of this Article.
- 4.1.3. Any applicable statute of limitation shall apply to the alternative dispute resolution procedures set forth in this Article.
- Section 4.2. Definitions Applicable to this Article.

For purposes of this Article only, the following terms have the meanings set forth in this Section:

- 4.2.1. "JAG" means the Judicial Arbiter Group or any other Person agreed to by the Claimant and Respondent in writing for the purpose of performing the functions of the Judicial Arbiter Group under these Covenants.
- 4.2.2. "Bound Party" means each of the following: the Declarant, each Builder, each contractor, subcontractor, supplier, laborer, and the Metropolitan District (to the extent permitted by law), and their respective directors, officers, members, partners, employees and agents; the ARC and the committees and representatives appointed by the ARC, and each of their respective members and agents; all Persons subject to these Covenants; and any Person who is not otherwise subject to these Covenants, but who agrees to submit to this Article. Notwithstanding the foregoing, "Bound Party" shall not include any of the Persons identified in this Section (or their insurance carrier(s), to the extent a Claim is covered by insurance), if such Persons (or their aforesaid insurance carrier(s)) have entered into a separate written agreement providing for dispute resolution applicable to the Claim; in such circumstance, the dispute resolution mechanism set forth in such separate written agreement shall apply with respect to such Claim, unless such Persons, including all applicable insurance carrier(s), mutually agree to submit such Claim to the provisions of this Article.
 - 4.2.3. "Claimant" means any Bound Party having a Claim.

- 4.2.4. "Claim" means, except as exempted by the terms of this Article, any claim, grievance or dispute between one Bound Party and another, regardless of how the same may have arisen or on what it might be based, including those arising out of or related to (i) the interpretation, application or enforcement of any of the Governing Documents or the rights, obligations or duties of any Bound Party; and/or (ii) any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party; and/or (iii) any allegation pertaining to infrastructure defects.
- 4.2.5. "Party" means the Claimant and the Respondent individually; "Parties" means the Claimant and the Respondent collectively.
 - 4.2.6. "Respondent" means any Bound Party against whom a Claim is asserted.
- Section 4.3. Commencement or Pursuit of Claim Against Bound Party.
 - 4.3.1 A Bound Party may not commence or pursue a Claim against any other Bound Party except in compliance with this Article.
 - 4.3.2 Prior to any Bound Party commencing any proceeding against another Bound Party, the Respondent shall have the right to be heard by the Claimant, and to access, inspect, correct the condition of, or redesign, any portion of any Improvement as to which a defect is alleged, or to otherwise correct the alleged dispute.

Section 4.4. Claims.

Unless specifically exempted below, all Claims between any of the Bound Parties shall be subject to the provisions of Section 4.6 hereof. Notwithstanding the foregoing, unless all Parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 4.6 hereof:

- 4.4.1 any action by the ARC, the governing board of the Metropolitan District, the Declarant, of any Builder to enforce Article 2 or Article 3 of these Covenants, or any provision(s) of the Guidelines or the Rules and Regulations (as hereinafter defined), including obtaining a temporary restraining order or injunction (or equivalent emergency equitable relief), any and all enforcement actions by the Metropolitan District as set forth in Section 5.2.2 hereof, and such other ancillary relief as a court may deem necessary;
- 4.4.2 any suit between or among Owners, which does not include Declarant, Builder, the Metropolitan District, or the governing board of the Metropolitan District as a Party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;
 - 4.4.3 any suit in which any indispensable party is not a Bound Party; and
- 4.4.4 any suit between an Owner and Builder, which does not include Declarant, with respect to construction of a home on a Unit.

Section 4.5. Mandatory Procedures.

Prior to proceeding with any Claim against a Respondent, each Claimant shall give a Notice to each Respondent, which Notice shall state plainly and concisely:

- 4.5.1 the nature of the Claim, including all Persons involved and Respondent's role in the Claim;
- 4.5.2 the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
 - 4.5.3 the proposed remedy; and
- 4.5.4 the fact that Claimant will give the Respondent an opportunity to inspect all property and Improvements potentially involved with the Claim, and that Claimant will meet with Respondent not sooner than thirty (30) days after such inspection to discuss in good faith ways to resolve the Claim.

Section 4.6. Final, Binding Arbitration.

- 4.6.1 If Claimant desires to pursue the Claim, Claimant shall initiate final, binding arbitration of the Claim with JAG, in accordance with the then-current rules of JAG. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. Unless otherwise mutually agreed to by the Parties, there shall be one arbitrator who shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.
- 4.6.2 Each Party shall bear its own costs and expenses, and an equal share of the arbitrator's and administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial and on appeal, shall be awarded to the non-contesting Party. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator.
- 4.6.3 The award of the arbitrator shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration without the prior written consent of all Parties.

ARTICLE 5. GENERAL PROVISIONS

Section 5.1. Rules and Regulations.

Rules and regulations, if any, concerning and governing the Property <u>may</u> be promulgated, adopted, enacted, modified, amended, repealed, and re-enacted by the governing board of the Metropolitan District ("Rules and Regulations") and such actions shall not be construed as an amendment to these

Covenants requiring processing under Section 5.6 hereof. Such Rules and Regulations may, without limitation, regulate or prohibit any use, activity or practice that interferes with the peaceful enjoyment or possession and proper use of any Unit, or any portion thereof, by its residents, and may prohibit noxious or offensive activities and any activity which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. However, any provisions that might be included in Rules and Regulations may be included in the Guidelines and in the event of any conflict between the Rules and Regulations and the Guidelines, the Guidelines shall control. The Rules and Regulations, if any, may contain such provisions as determined by the governing board of the Metropolitan District, including procedural requirements, interpretations, clarifications and applications of any provision(s) of these Covenants or the Guidelines and law, and may include blanket requirements, blanket interpretations, and blanket applications. The governing board of the Metropolitan District has the authority to adopt or vary one or more Rules and Regulations that are different types of Units, if any. Any Rules and Regulations, if any, shall not be inconsistent with or contrary to these Covenants.

Section 5.2. Enforcement.

- This subsection is subject to Article 4 of these Covenants. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, liens, charges and other provisions contained in these Covenants, may be by any proceeding at law or in equity against any Person(s) violating or attempting to violate any such provision, and possible remedies include all of those available at law or in equity. The Declarant, any Builder, the ARC and the Metropolitan District, and any aggrieved Owner, shall have the right, but not the duty, to institute, maintain and prosecute any such proceedings. No remedy shall be exclusive of other remedies that may be available. Except as otherwise provided in Article 4 of these Covenants, in any action instituted or maintained under these Covenants or any other such documents, the prevailing party shall be awarded its costs and attorney fees incurred in asserting or defending the claim, as well as any and all other sums; except that any Person who brings an action against the Declarant, any Builder, the Metropolitan District, or the ARC, regarding enforcement, or non-enforcement, of any provision(s) of the Governing Documents, shall not be awarded their costs and any attorney fees. Failure by the Declarant, any Builder, the ARC, the Metropolitan District, or any Owner, to enforce any covenant, restriction or other provision contained in these Covenants, shall in no event give rise to any liability, nor shall such non-enforcement be deemed a waiver of the right to thereafter enforce any covenant, restriction or other provision of these Covenants, regardless of the number of violations or breaches that may occur.
- 5.2.2 The foregoing includes the right of the Metropolitan District to: send demand letters and notices; charge interest and/or late charges; levy and collect fines; impose liens (as provided in C.R.S. Section 32-1-1001(j)(1), as amended); and/or negotiate, settle and/or take any other actions, with respect to any violation(s), or alleged violation(s), of any of the Governing Documents. A lien under this Declaration as imposed by the Metropolitan District is a first and prior perpetual lien against the Unit until paid in full to the same extent as any other liens that be legally imposed by the Metropolitan District. Fees, charges, late charges,

attorney fees, fines and interest are enforceable under this Article. The amount of the lien shall include all those items set forth in this Section from the time such items fines and penalties are imposed. If a fine or penalty is payable in installments, each installment is a lien until paid in full. Recording of this Declaration constitutes record notice and perfection of the lien. No further Recordation of any claim of lien is required. However, the Metropolitan District or any officer of the ARC or any managing agent thereof, may prepare and record in the county in which the applicable Unit is located a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Unit, and a description of the Unit. If a notice of lien is filed, the costs and expenses thereof shall be added to the due amount for the Unit against which it is filed and collected as part and parcel thereof. The Metropolitan District's lien may be foreclosed as provided by law.

- 5.2.3 Personal Obligation for Fines. Each Owner of a Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees, and shall be personally obligated, to pay to the District any and all fines and penalties, as provided in this Declaration, with such fines and penalties to be established and collected as hereinafter provided. All Owners of each Unit shall be jointly and severally liable to the District for the payment of all fines and penalties attributable to their Unit.
- 5.2.4 The Declarant or Metropolitan District shall furnish to an Owner, or such Owner's designee, or to a Security Interest Holder or its designee, upon written request delivered personally or by certified mail, first class postage prepaid, return receipt, to the Declarant or Metropolitan District's registered agent, a written statement setting forth the amount of unpaid fines and penalties, if any, currently levied against such Owner's Unit. The statement shall be furnished within a reasonable time after receipt of the request and is binding on the Metropolitan District, the Declarant and every Owner. The District or its agents shall have the right to charge a reasonable fee for the issuance of such certificates.

Section 5.3. Severability.

All provisions of these Covenants are severable. Invalidation of any of the provisions by judgment, court order or otherwise, shall in no way affect or limit any other provisions, which shall remain in full force and effect.

Section 5.4. Rights and Easements of Declarant and Builders.

Notwithstanding anything to the contrary contained in the Governing Documents, it shall be expressly permissible and proper for Declarant and each Builder, and their respective employees, agents, and contractors, to perform all activities, and maintain Improvements, tools, equipment, and facilities, on the portion of the Property owned by them and also on public property, incidental to development, construction, use, rental, sale, occupancy, and/or advertising. The foregoing includes locating, maintaining and relocating management offices, construction offices, signs, model units and sales offices, in such numbers, of such sizes, and at such locations on the portion of the Property owned by

them and also on public property, as determined by the Declarant or applicable Builder. In addition, nothing contained in these Covenants shall limit the rights of Declarant, or require the Declarant, to obtain approvals:

- 5.4.1. to excavate, cut, fill or grade any property (with the consent of the Owner thereof), or to construct, alter, demolish or replace any Improvements;
- 5.4.2. to use any Improvements on any property (with the consent of the Owner thereof) as a construction, management, model home or sales or leasing office, in connection with the development, construction or sale of any property; and/or
 - 5.4.3 to seek or obtain any approvals under these Covenants for any such activity.

Section 5.5. Conflict of Provisions.

In the case of any conflict between any of the Governing Documents, these Covenants shall control.

Section 5.6. Duration, Revocation and Amendment.

- 5.6.1 Each and every provision of these Covenants shall run with and bind the Property perpetually from the date of recording of these Covenants. Subject to subsection 5.6.2 of these Covenants, these Covenants may be amended, supplemented and/or terminated, by the affirmative vote or agreement of the Owners of sixty-seven percent (67%) of the Units. Notwithstanding the foregoing, the Metropolitan District shall not be required to comply with or enforce any Owner-adopted amendments, supplements or termination, until such time as the governing board of the Metropolitan District receives a recorded copy of such amendment, supplement and/or termination, and shall not be required to enforce any such amendments or supplements that are ultra vires.
- 5.6.2 Notwithstanding anything to the contrary, until all of the Units have been conveyed to the first Owners thereof other than the Declarant or a Builder, no amendment, supplement or termination of these Covenants shall be effective, without the prior written approval of the Declarant, which may be with conditions and/or requirements. This subsection 5.6.2 shall be in effect until conveyance of all the Units to the first Owners thereof, other than the Declarant or any Builder.
- 5.6.3 Notwithstanding anything to the contrary, these Covenants may be amended, in whole or in part, by the Declarant without the consent or approval of any other Owner, the Metropolitan District, or any other Person, in order to comply with the requirements, standards, or guidelines of any recognized secondary mortgage markets, including the department of housing and urban development, the federal housing administration, the veterans administration, the federal home loan mortgage corporation, the government national mortgage association, and the federal national mortgage association. This subsection 5.6.3 shall be in effect until conveyance of all the Units to the first Owners thereof, other than the Declarant or any Builder.

- 5.6.4 Notwithstanding anything to the contrary, these Covenants may be amended, in whole or in part, by the Declarant without the consent or approval of any other Owner, any Builder, the Metropolitan District, or any other Person, in order to correct any clerical, typographical, technical or other errors in these Covenants and/or to clarify any provision(s) of these Covenants. This subsection 5.6.4 shall be in effect until conveyance of all the Units to the first Owners thereof, other than the Declarant or any Builder.
- 5.6.5 Each Amendment to these Covenants enacted by the vote or agreement of Owners of Units shall be applicable only to disputes, issues, controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occurred after the date of recording of such amendment in the real property records of the County, and no such amendment shall be applied retroactively (i) to any disputes, issues, controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occurred before the date of recording of such amendment in the County; or (ii) to impair the rights or obligations of any Person, including Declarant, as originally set forth in these Covenants.

Section 5.7. Minor Violations of Setback Restrictions.

If upon the erection of any structure, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of each Unit immediately adjoining the structure which is in violation of the setback, and such waiver shall be binding upon all other Owners. However, nothing contained in this Section shall prevent the prosecution of a suit for any other violation of these Covenants or the Guidelines, if any. A "minor violation," for the purpose of this Section, is a violation of not more than two (2) feet beyond the required setback lines or Unit lines. This provision shall apply only to the original structures and shall not be applicable to any alterations or repairs to, or replacements of, any of such structures.

Section 5.8. Subdivision or Replatting of Units.

The Declarant hereby reserves the right to subdivide or replat any Unit(s) owned by the Declarant. Each such subdivision or replatting may change the number of Units in the Property. The foregoing reservation includes the right to move any lot line(s) on Unit(s) for the purpose of accommodating Improvements which are, or may be constructed. This Section 5.8 shall be in effect until conveyance of all the Units to the first Owners thereof, other than the Declarant or any Builder.

Section 5.9. Easements of Record and of Use.

The Property shall be subject to all easements shown on any recorded Plat affecting the Property and to any other easements of record or of use as of the date of recordation of these Covenants.

Section 5.10. Annexation.

The Declarant may annex to the Property additional real estate (including Improvements), including any real estate (including Improvements) which may previously have been withdrawn from the Property. Each such annexation, if any, shall be accomplished by recording in the County of an annexation document that expressly states that the real estate (including Improvements) described therein shall be subject to these Covenants and all terms and provisions hereof. However, any such annexation may include provisions which, as to the real estate (including Improvements) described therein, adds to or changes the rights, responsibilities and other provisions of these Covenants. Any such additional or changed provisions may be amended, supplemented, and/or terminated, with the consent of the Owners of 67% of the Units to which such provisions apply. The first three (3) sentences of this Section 5.11 shall be in effect until conveyance of all the Units to the first Owners thereof, other than the Declarant or any Builder.

Section 5.11. Withdrawal.

The Declarant reserves the right to withdraw the Property, or any portion thereof, including one or more Units, from these Covenants, so long as the Declarant owns the portion of the Property to be withdrawn. Each withdrawal, if any, may be effected by the Declarant recording a withdrawal document in the office of the Clerk and Recorder of the County. A withdrawal as contained in this paragraph constitutes a divestiture, withdrawal, and de-annexation of the withdrawn real estate (including Improvements) from these Covenants so that, from and after the date of recording a withdrawal document, the real estate (including Improvements) so withdrawn shall not be part of the Property. This Section 5.12 shall be in effect until conveyance of all the Units to the first Owners thereof, other than the Declarant or any Builder.

Section 5.12. Notices.

Any notice permitted or required in these Covenants shall be deemed to have been given and received upon the earlier to occur of (i) personal delivery upon the Person to whom such notice is to be given; or (ii) two (2) days after deposit in the United States mail, postage prepaid, addressed to the Owner at the address for such Owner's Unit.

Section 5.13. Limitation on Liability.

The Declarant, any Builder, the Metropolitan District, the ARC, and their respective directors, officers, shareholders, members, partners, agents and employees, shall not be liable to any Person for any action or for any failure to act arising out of any of the Governing Documents, unless the action or failure to act was not in good faith and was done or withheld with malice. Further, the Metropolitan District does not waive, and no provision of these Covenants shall be deemed a waiver of, the immunities and limitations to which the Metropolitan District is entitled as a matter of law, including the Colorado Governmental Immunity Act, § 24-10-101, et seq., C.R.S., as amended. The release and waiver set forth in Section 5.17 (Waiver) shall apply to this Section.

Section 5.14. No Representations, Guaranties or Warranties.

No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant, any Builder, the Metropolitan District, the ARC, or their respective officers, directors, shareholders, members, partners, agents or employees, in connection with any portion of the Property, or any Improvement, its physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as specifically set forth in writing. The release and waiver set forth in Section 5.17 (Waiver) shall apply to this Section.

Section 5.15. Disclaimer Regarding Safety.

DECLARANT, THE BUILDERS, THE METROPOLITAN DISTRICT, THE ARC, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE PROPERTY. BY ACCEPTING A DEED TO A UNIT WITHIN THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT DECLARANT, THE BUILDERS, THE METROPOLITAN DISTRICT, THE ARC, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED IN THE GOVERNING DOCUMENTS, IF ANY, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE PROPERTY. THE RELEASE AND WAIVER SET FORTH IN SECTION 5.17 (WAIVER) SHALL APPLY TO THIS SECTION.

Section 5.16. Development Within and Surrounding the Property.

Each Owner acknowledges that development within and surrounding the Property may continue for an indefinite period, and that plans for the density, type and location of improvements, developments or land uses may change over time. Such development may entail changes to or alterations in the access to the Property, views of or from the Property or the Units, surrounding land uses, open space or facilities, traffic volumes or patterns, privacy or other aspects or amenities. Development also may entail noise, odors, unsightliness, dust and other inconveniences or disruptions. By accepting a deed to a Unit, each Owner accepts title to such Unit subject to the foregoing, and waives and releases any claim against the Declarant, any Builders, the Metropolitan District, the ARC, and their respective officers, directors, members, partners, agents and employees, heirs, personal representatives, successors and assigns, arising out of or associated with any of the foregoing. The release and waiver set forth in Section 5.17 (Waiver) shall apply to this Section.

Section 5.17. Waiver.

By acceptance of a deed to a Unit, each Owner hereby releases, waives, and discharges the Declarant, each Builder, the Metropolitan District, the ARC, and their respective officers, directors, members,

partners, agents and employees, heirs, personal representatives, successors and assigns, from all losses, claims, liabilities, costs, expenses, and damages, arising directly or indirectly from any hazards, disclosures or risks set forth in these Covenants, including those contained in Sections 5.13, 5.14, 5.15 and 5.16.

Section 5.18. Headings.

The Article, Section and subsection headings in these Covenants are inserted for convenience of reference only, do not constitute a part of these Covenants, and in no way define, describe or limit the scope or intent of these Covenants or any of the provisions hereof.

Section 5.19. Gender.

Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular and the use of any gender shall be applicable to all genders.

Section 5.20. Action.

Any action that has been or may be taken by the Declarant, any Builder, the Metropolitan District, the ARC, or any other Person, may be taken "at any time, from time to time." Each provision that authorizes, directs or permits action shall be deemed to include such language.

Section 5.21. Sole Discretion.

All actions which are taken by, or on behalf of, the Declarant, any Builder, the Metropolitan District, the governing board of the Metropolitan District, the ARC, or any other Person, shall be deemed to be taken "in the sole discretion" of such Person.

Section 5.22. Use of "Include," "Includes," and "Including."

All uses, in these Covenants, of the words "include," "includes," and "including," shall be deemed to include the words "without limitation" immediately thereafter.

Section 5.23. Runs with the Land; Binding Upon Successors.

The benefits, burdens, and all other provisions contained in these Covenants shall be covenants running with and binding upon the Property and all Improvements which are now or hereafter located on the Property. The benefits, burdens, and all other provisions contained in these Covenants shall be binding upon, and inure to the benefit of the Declarant, the Builders and all Owners, and upon and to their respective heirs, personal representatives, successors and assigns; but, no Person shall become a "**Declarant**" or a "**Builder**" under these Covenants, except by written assignment or designation, as more fully provided in Sections 1.4 or 1.2 of these Covenants, respectively.

IN WITNESS WHEREOF, the undersigned, that hereunto set its hand and seal this date.	peing the Declarant herein and the Owner of the Property, ay of January, 2021.
	DECLARANT:
	CHALLENGER COMMUNITIES, LLC, a Colorado limited liability company
	By: Name: Vancon Angulas Its: Pof land begun for
STATE OF COLORADO	State of Chewers Noterville & 2012/002
COUNTY OF El Paso	My Commission Extres 11 vs-2024
The foregoing instrument was acknown 2021, by Vanessay Imorus de Communities Witness my hand and official seal. {SEAL} MICHELLE L COOPER Notary Public State of Colorado Notary ID # 20124032797 My Commission Expires 11-09-2024	wledged before me this 8 day of January as Working the of, LLC. Mully X(commission expires: 1109/2024
	CHALLENGER COLORADO, LLC, a Colorado limited liability company
	By: Kelletthy Name: Kerng Thurberg Its: Corporate Controller

STATE OF COLORADO	
COUNTY OF 61 Paso) ss.)
The foregoing instrument was acknown 2021, by Kerry Thunberg Challenger Colorado	as Corp Controller of LLC.
Witness my hand and official seal. {SEAL} MICHELLE L COOPER	Notary Public My Commission expires: 11 09 2024
Notary Public State of Colorado Notary ID # 20124032797 My Commission Expires 11-09-2024	
	COTTAGES AT CHAPEL HEIGHTS, LLC, a Colorado limited liability company
	By: Name: Its: Minager of It's Manager
STATE OF COLORADO	MICHELLE LEOPEN
COUNTY OF ET PISO) Ss. State of Colored Notary ID a 20124082 W7 My Commission Expites 11 20 22224
The foregoing instrument was acknot 2021, by Bruce Pecle Cottages @ Chapel Heights	wledged before me this 28 day of January, as manager of , LLC.
Witness my hand and official seal.	
{SEAL} MICHELLE L COOPER Notary Public State of Colorado Notary ID # 20124032797 My Commission Expires 11-09-2024	Notary Public My Commission expires: 1109 2024

CONSENT OF THE CHAPEL HEIGHTS METROPOLITAN DISTRICT

The undersigned, Chapel Heights Metropolitan District, hereby consents to the aforesaid Covenants and Restrictions for Chapel Heights.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this ____ day of January, 2021.

	CHAPEL HEIGHTS METROPOLITAN DISTRICT
	By: Director Sm. Byers
STATE OF COLORADO)
COUNTY OF El Paso)ss.
The foregoing instrument was acknown 2021, by Timby etc. as President of	wledged before me this 28 day of January, f CHAPEL HEIGHTS METROPOLITAN DISTRICT.
Witness my hand and official seal.	
{S E A L}	Notary Public My Commission expires: 1109 2024
MICHELLE L COOPER Notary Public State of Colorado Notary ID # 20124032797 My Commission Expires 11-09-2024	

EXHIBIT A TO

DECLARATION OF COVENANTS AND RESTRICTIONS OF CHAPEL HEIGHTS

(Property)

LEGAL DESCRIPTION:

PARCEL A (SEE PLAT NOTE 8)

A PARCEL OF LAND BEING LOT 1, NAZARENE BIBLE COLLEGE SUBDIVISION NO. 1, LOCATED IN THE CITY OF COLORADO SPRINGS, COUNTY OF EL PASO, STATE OF COLORADO, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 94044385 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER, AND A PORTION OF THAT TRACT OF LAND BOUNDED ON THE WEST BY SAID LOT 1, ON THE NORTH BY CRESTLINE HEIGHTS FILING NO. 4 AND FILING NO. 5, THE PLATS THEREOF RECORDED UNDER RECEPTION NO. 96076353 & 97066444 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER, AND THAT TRACT OF LAND AS DESCRIBED IN BOOK 3549 PAGE 298; ON THE EAST BY MURRAY BOULEVARD; ON THE SOUTHEAST BY NAZARENE BIBLE COLLEGE SUBDIVISION NO. 2, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 202130722 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER; AND ON THE SOUTH BY FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 1305207 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER, SAID PARCEL BEING LOCATED IN SECTION 23, T14S, R66W OF THE 6TH P.M., COUNTY OF EL PASO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 1 OF NAZARENE BIBLE COLLEGE SUBDIVISION NO. 1, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF SAID FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1, AND CONSIDERING THE SOUTH LINE OF SAID LOT 1 IS ASSUMED TO BEAR N79°44'47"W, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO, SAID LINE MONUMENTED AT THE NORTHWESTERLY TERMINUS BY A FOUND #4 REBAR WITH A WHITE PLASTIC CAP STAMPED "BERGE & BREWER LS 9646" AND AT THE SOUTHEASTERLY TERMINUS BY A FOUND #4 REBAR WITH A WHITE PLASTIC CAP STAMPED "BERGE & BREWER LS 9646", THENCE ALONG THE WESTERLY BOUNDARY OF SAID LOT 1 THE FOLLOWING FIVE (5) COURSES:

- 1. N34°08'10"W, 199.95 FEET TO A POINT OF CURVE TO THE LEFT;
- 2.NORTHWESTERLY 255.93 FEET ALONG THE ARC OF SAID CURVE TO A POINT OF NON-TANGENCY, SAID ARC HAVING A RADIUS OF 733.10 FEET, A CENTRAL ANGLE OF 20°00'09" AND BEING SUBTENDED BY A CHORD THAT BEARS N44°08'18"W, 254.63 FEET;
- 3.N33°05'31"E, 32.87 FEET TO A POINT OF CURVE TO THE LEFT;
- 4.NORTHWESTERLY 320.01 FEET ALONG THE ARC OF SAID CURVE, SAID ARC HAVING A RADIUS OF 548.00 FEET, A CENTRAL ANGLE OF 33°27'30" AND BEING SUBTENDED BY A CHORD THAT BEARS N16°21'46"E, 315.48 FEET;
- 5.NOO'22'01"W, 402.95 FEET TO THE NORTH BOUNDARY LINE OF SAID NAZARENE BIBLE COLLEGE SUBDIVISION NO. 1;

THENCE N89°41'24"E, 323.38 FEET ALONG SAID NORTH LINE TO THE NORTHEAST CORNER OF NAZARENE BIBLE COLLEGE SUBDIVISION NO. 1;

THENCE S11°09'40"E, 29.51 FEET ALONG THE EASTERLY BOUNDARY LINE OF NAZARENE BIBLE COLLEGE SUBDIVISION NO. 1;

THENCE CONTINUING ALONG SAID EASTERLY LINE \$43°56'04"E, 490.96 FEET;

THENCE N68'37'32"E, 99.22 FEET TO A POINT OF CURVE TO THE LEFT;

THENCE NORTHEASTERLY 70.24 FEET ALONG THE ARC OF SAID CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 306.50 FEET, A CENTRAL ANGLE OF 13°07'50" AND BEING SUBTENDED BY A CHORD THAT BEARS N62°03'37"E, 70.09 FEET;

THENCE N55°29'42"E, 716.08 FEET TO POINT OF CURVE TO THE RIGHT;

THENCE 40.85 FEET ALONG THE ARC OF SAID CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 363.50 FEET, A CENTRAL ANGLE OF 6°26'18" AND BEING SUBTENDED BY A CHORD THAT BEARS N58°42'50"E, 40.82 FEET;

THENCE N61°55'59"E, 243.27 FEET TO THE WESTERLY RIGHT-OF-WAY- LINE OF MURRAY BOULEVARD; THENCE S27°29'38"E, 279.50 FEET ALONG SAID WESTERLY RIGHT-OF-WAY LINE TO THE NORTHERN MOST CORNER OF NAZARENE BIBLE COLLEGE SUBDIVISION NO. 2, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 202130722 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER; THENCE ALONG THE WESTERLY BOUNDARY LINE OF SAID NAZARENE BIBLE COLLEGE SUBDIVISION NO. 2 THE FOLLOWING SIX (6) COURSES:

- 1. S62°28'21"W, 433.34 FEET;
- 2.S29°02'32"W, 444.66 FEET;
- 3.S60'58'28"E, 79.30 FEET;
- 4.S29'55'36"W, 571.24 FEET;
- 5.S60'08'06"E, 134.11 FEET;
- 6.S25'48'34"W, 38.73 FEET TO THE NORTH LINE OF SAID FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1; THENCE ALONG SAID NORTH LINE N79'44'47"W, 905.55 FEET TO THE POINT OF BEGINNING. CONTAINING 1,322,039 SQUARE FEET (30.350 ACRES), MORE OR LESS.

PARCEL B (SEE PLAT NOTE 8)

A PARCEL OF LAND BOUNDED ON THE WEST AND NORTH BY TRACT A OF NAZARENE BIBLE COLLEGE SUBDIVISION NO. 2, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 202130722 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER, AND ON THE SOUTH BY FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 1305207 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER, AND ON THE EAST BY MELODY ANNE ECKHARDT SUBDIVISION, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 1256391 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER, THE ABOVE PARCEL BEING LOCATED IN SECTION 23, T14S, R66W OF THE 6TH P.M., COUNTY OF EL PASO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 1 OF NAZARENE BIBLE COLLEGE SUBDIVISION NO. 1, THE PLAT THEREOF RECORDED UNDER RECEPTION NO. 94044385 OF THE RECORDS OF THE OFFICE OF THE EL PASO COUNTY CLERK AND RECORDER, SAID CORNER ALSO BEING THE NORTHWEST CORNER OF SAID FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1, AND CONSIDERING THE SOUTH LINE OF SAID LOT 1 IS ASSUMED TO BEAR S79°44'47'E, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO, SAID LINE MONUMENTED AT THE NORTHWESTERLY TERMINUS BY A FOUND #4 REBAR WITH A WHITE PLASTIC CAP STAMPED "BERGE & BREWER LS 9646" AND AT THE SOUTHEASTERLY TERMINUS BY A FOUND #5 REBAR WITH A 1.5" ALUMINUM CAP STAMPED "THOMAS CAVE PLS 14070", THENCE ALONG SAID SOUTH LINE AND ALONG THE NORTH LINE OF THE FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1, S79°44'47'E, 936.69 FEET TO THE SOUTHERN MOST CORNER OF SAID TRACT A OF NAZARENE BIBLE COLLEGE SUBDIVISION NO. 2, AND THE POINT OF BEGINNING;

THENCE ALONG THE BOUNDARY OF SAID TRACT A THE FOLLOWING TWO (2) COURSES

- 1. N25°46'31"E, 28.21 FEET;
- 2.S60°11'36"E. 44.91 FEET TO THE WESTERLY BOUNDARY LINE OF SAID MELODY ANNE ECKHARDT SUBDIVISION;

THENCE ALONG SAID WESTERLY LINE \$26°23'24"W, 12.65 FEET TO THE NORTH LINE OF SAID FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1; THENCE ALONG SAID NORTH LINE, N79°44'47"W, 46.35 FEET TO THE POINT OF BEGINNING.

CONTAINING 914 SQUARE FEET (0.021 ACRES), MORE OR LESS.

LEGAL DESCRIPTION (AS PROVIDED)

PARCEL A:

LOT 1, NAZARENE BIBLE COLLEGE SUBDIVISION NO. 1, IN THE CITY OF COLORADO SPRINGS, COUNTY OF EL PASO, STATE OF COLORADO.

PARCEL B:

A TRACT OF LAND LOCATED IN SECTION 23, TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M., IN THE CITY OF COLORADO SPRINGS, EL PASO COUNTY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHWEST CORNER OF SAID SECTION 23 BEARS S 40° 27'01" W, A DISTANCE OF 4,219.34 FEET (ALL BEARINGS USED IN THIS DESCRIPTION ARE RELATIVE TO THE WEST LINE OF SAID SECTION 23, WHICH WAS ASSUMED TO BE N 0° 25'09" W); SAID POINT ALSO BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF MURRAY BOULEVARD AS RECORDED IN SANDPIPER SUBDIVISION FILING NO. 1 AS RECORDED IN PLAT BOOK M-3 AT PAGE 85 OF THE RECORDS OF EL PASO COUNTY, COLORADO; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE ARC OF A CURVE TO THE LEFT, WHICH CURVE HAS A CENTRAL ANGLE OF 48' 50'09'", A RADIUS OF 394.95 FEET, AND AN ARC LENGTH OF 336.64 FEET, (CHORD OF SAID CURVE BEARS N 51° 59'20" W); THENCE S 55° 23'06" W, 223.03 FEET; THENCE S 80° 25'40" E, 447.08 FEET TO THE POINT OF BEGINNING, COUNTY OF EL PASO, STATE OF COLORADO AND THAT PORTION OF SECTION 23 IN TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M., IN EL PASO COUNTY, COLORADO. COMMENCING AT THE SOUTHWEST CORNER OF SECTION 23; THENCE NORTHERLY ON THE WEST LINE OF SAID SECTION 23, 1,069.74 FEET; THENCE ANGLE RIGHT 90° 26'50" EASTERLY, 1092.56 FEET; THENCE ON THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A CENTRAL ANGLE OF 28' 52'25", A RADIUS OF 1,000.00 FEET, AN ARC DISTANCE OF 503.93 FEET; THENCE ANGLE LEFT 90' 00'00" NORTHERLY FROM THE EASTERLY EXTENSION OF THE FORWARD TANGENT OF THE LAST MENTIONED CURVE, 50.00 FEET TO A POINT ON THE NORTHERLY LINE OF FOUNTAIN BOULEVARD; (ALL BEARINGS HEREINAFTER USED ARE RELATIVE); THENCE ANGLE RIGHT 90° 00'00" (SOUTH 60° 39'27" EAST) 313.83 FEET; THENCE NORTH 29° 20'33" EAST, 313.68 FEET TO THE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED HEREIN; THENCE NORTH 00' 00'00" EAST, 1,159.22 FEET; THENCE NORTH 59' 13'03" EAST, 752.58 FEET. THENCE SOUTH 12' 28'18" WEST, 294.82 FEET; THENCE SOUTH 29'33" WEST, 1,305.93 FEET TO THE POINT OF BEGINNING, EXCEPT A PORTION CONVEYED IN SAID DEED RECORDED AUGUST 28, 1986 UNDER RECEPTION NO. 1445110 AND NOW PLATTED AS FIRST CHURCH OF THE NAZARENE SUBDIVISION NO. 1, RECORDED SEPTEMBER 30, 1985 UNDER RECEPTION NO. 1305207, AND EXCEPT THAT PORTION OF SUBJECT PROPERTY NOW PLATTED AS NAZARENE BIBLE COLLEGE SUBDIVISION FILING NO. 2, RECORDED AUGUST 08, 2002 UNDER RECEPTION NO. 202130722, COUNTY OF EL PASO, STATE OF COLORADO AND THAT PORTION OF SECTION 23 IN TOWNSHIP 14 SOUTH, RANGE 66 WEST OF THE 6TH P.M., IN EL PASO COUNTY, COLORADO: COMMENCING AT THE SOUTHWEST CORNER OF SECTION 23; THENCE NORTHERLY ON THE WEST LINE OF SAID SECTION 23, 1069.74 FEET; THENCE ANGLE RIGHT 90' 26' 50" EASTERLY, 1092.56 FEET; THENCE ON THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A CENTRAL ANGLE OF 28' 52' 25", A RADIUS OF 1000.00 FEET, AN ARC DISTANCE OF 503.93 FEET; THENCE ANGLE LEFT 90° 00' 00" NORTHERLY FROM THE EASTERLY EXTENSION OF THE FORWARD TANGENT OF THE LAST MENTIONED CURVE, 50.00 FEET TO A POINT ON THE NORTHERLY LINE OF FOUNTAIN BOULEVARD; (ALL BEARINGS HEREINAFTER USED ARE RELATIVE); THENCE ANGLE RIGHT 90° 00' 00" (SOUTH 60° 39' 27" EAST) 313.83 FEET; THENCE NORTH 29" 20' 33" EAST, 313.68 FEET; THENCE NORTH 00' 00'00" EAST, 1,159.22 FEET; TO THE POINT OF BEGINNING OF THE TRACT TO BE DESCRIBED HEREIN; THENCE NORTH 69° 13' 03" EAST, 1087.58 FEET; THENCE NORTH 27' 08' 24" WEST, 616.62 FEET; THENCE NORTH 79° 59' 13" WEST, 828.66 FEET TO INTERSECT A CURVE TO THE RIGHT; THENCE SOUTH 10° 00' 47" WEST TO THE FORWARD TANGENT OF A CURVE TO THE RIGHT; THENCE ON THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 69' 10' 53", A RADIUS OF 585.00 FEET, AN ARC DISTANCE OF 706.35 FEET; THENCE SOUTH 10° 8' 20" EAST, 40.00 FEET; THENCE SOUTH 43' 35' 50" EAST, 782.24 FEET, MORE OR LESS TO THE POINT OF BEGINNING, EXCEPT PORTION CONVEYED BY DEED RECORDED APRIL 02, 1982 IN BOOK 3549 AT PAGE 298 AND NOW BEING A PORTION OF CRESTLINE HEIGHTS FILING NO 4, RECORDED JUNE 19, 1996 UNDER RECEPTION NO. 96076353 AND A PORTION OF CRESTLINE HEIGHTS FILING NO. 5, RECORDED JUNE 11, 1997 UNDER RECEPTION NO. 97066444, COUNTY OF EL PASO, STATE OF COLORADO.





